

14 February 2022

At 2.00 pm

**Corporate, Finance, Properties and  
Tenders Committee**

**Agenda**

1. **Disclosures of Interest**
2. **2021/22 Quarter 2 Review - Delivery Program 2017-2021**
3. **Investments Held as at 30 November 2021**
4. **Investments Held as at 31 December 2021**
5. **Investments Held as at 31 January 2022**
6. **Lease Approval - Ground Floor Suite 3, Level 1 and 2, 46-52 Mountain Street, Ultimo**
7. **Lease Approval - Levels 3, 4 and 5, 46-52 Mountain Street, Ultimo**
8. **Tender - T-2021-619 - Reject and Negotiate - Allan Davidson Oval, Alexandria - Cricket Nets**
9. **Cancellation of Tender - T-2020-461 - Environmental Monitoring Analysis and Reporting**
10. **Cancellation of Tender - T-2021-569 and Exemption from Tender - Improvement and Construction Work at Minogue Crescent Reserve , Tote Park and Park on Lyons Road**
11. **Exemption from Tender and Contract Variations - Sydney New Year's Eve**

**Economic Development and Business Sub-Committee**

12. **Public Exhibition - Precinct Activation Grants Guidelines**
13. **Commercial Creative and Business Event Sponsorship – BESydney 2022-2023**

## Disclaimer, Terms and Guidelines for Speakers at Council Committees

As part of our democratic process, the City invites members of the community to speak directly to Councillors during Committee meetings about items on the agenda.

### Webcast

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### Consent

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### Guidelines

To enable the Committee to hear a wide range of views and concerns within the limited time available, we encourage people interested in speaking at Committee to:

1. Register to speak by calling Secretariat on 9265 9310 or emailing [secretariat@cityofsydney.nsw.gov.au](mailto:secretariat@cityofsydney.nsw.gov.au) before 10.00am on the day of the meeting.
2. Check the recommendation in the Committee report before speaking, as it may address your concerns so that you just need to indicate your support for the recommendation.
3. Note that there is a three minute time limit for each speaker (with a warning bell at two minutes) and prepare your presentation to cover your major points within that time.
4. Avoid repeating what previous speakers have said and focus on issues and information that the Committee may not already know.
5. If there is a large number of people interested in the same item as you, try to nominate three representatives to speak on your behalf and to indicate how many people they are representing.

Committee meetings can continue until very late, particularly when there is a long agenda and a large number of speakers. This impacts on speakers who have to wait until very late, as well as City staff and Councillors who are required to remain focused and alert until very late. At the start of each Committee meeting, the Committee Chair may reorder agenda items so that those items with speakers can be dealt with first.

Committee reports are available at [www.cityofsydney.nsw.gov.au](http://www.cityofsydney.nsw.gov.au)

## **Item 1.**

### **Disclosures of Interest**

Pursuant to the provisions of the City of Sydney Code of Meeting Practice and the City of Sydney Code of Conduct, Councillors are required to disclose pecuniary interests in any matter on the agenda for this meeting.

Councillors are also required to disclose any non-pecuniary interests in any matter on the agenda for this meeting.

This will include receipt of reportable political donations over the previous four years.

In both cases, the nature of the interest must be disclosed.

## Item 3.

### Investments Held as at 30 November 2021

File No: X020701

#### Summary

This report provides details of the City's investment portfolio and performance to 30 November 2021.

The City's total Investment and Cash position was \$782.8M at 30 November 2021, with investments earning interest of \$0.3M for the month.

The Covid-19 pandemic has created significant uncertainty in financial markets. The Reserve Bank of Australia (RBA) responded to the crisis by reducing the official cash rate, firstly on 3 March 2020 to 0.50 per cent, again on 20 March 2020 to 0.25 per cent, and then again on 2 November 2020 down to an official cash rate of 0.10 per cent. The RBA also launched a Term Funding Facility, now in the order of \$200 billion, which further reduced the funding costs of Authorised Deposit-Taking Institutions (ADIs). The market responded to these actions by reducing the rates on offer, with the lower investment yields continuing to have a sustained adverse impact on the City's portfolio return.

The City's cash inflows are also negatively impacted as the economic consequences of the pandemic continue to reduce major revenue streams, in particular commercial property and parking related income. A greater focus on maintaining adequate liquidity with shorter investment maturities, and increasingly limited opportunities to invest funds at adequate rates of return, continues to affect the City's interest revenue.

The majority of the City's cash and investments portfolio is held as internally restricted (\$330.5M) or externally restricted (\$67.8M) cash reserves, to satisfy the City's legislative responsibilities and to set aside specific funds for Council's funding commitments to the major initiatives within the Sustainable Sydney 2030 Community Strategic Plan.

Key commitments within the City's Long Term Financial Plan include public domain works in the CBD, infrastructure and community facilities in the Green Square urban renewal area and open space acquisitions. The balance of investment funds represents working capital and funding required for the City's operating and capital expenditure commitments, including the Covid-19 relief grants program.

The City achieved an annualised monthly return of 0.55 per cent for November, which remains above the 30 Day Bank Bill Rate (BBR) of 0.01 per cent, the latest AusBond Bank Bill Index (published by Bloomberg) of 0.00 per cent and the enhanced benchmark of 0.46 per cent (BBR + 0.45 per cent) as endorsed in October 2021 as part of the Investment Strategy.

The City's annual rolling return of 0.55 per cent also continues to exceed the 12 month average 30 Day Bank Bill Rate of 0.01 per cent, the latest AusBond Bank Bill Index of 0.02 per cent and the enhanced benchmark of 0.46 per cent (BBR + 0.45 per cent) as endorsed in the Investment Strategy in October 2021.

While the returns remain at historic lows, it is worth noting Council's investment opportunities are constrained by a combination of legislation, regulation and any directions and guidelines issued by the Minister or the Office of Local Government. These guidelines were developed, in large part, as a response to the Global Financial Crisis and its impact on the local government sectors investments. They effectively limit the City's investment profile to something similar to a cash managed fund, which generally produce lower returns but a high level of security. The City's returns from the investment portfolio remain in line with cash managed funds in the market.

The report includes graphs demonstrating that the City's liquidity profile continues to satisfy the requirements of the Policy, and charts that identify the distribution of the City's portfolio across credit ratings, investment product types and financial institutions. Separate charts depicting the City's cumulative portfolio returns over and above both the 90 day Bloomberg AusBond and 30 day Bank Bill Rate benchmarks have also been included to provide further insight into the City's total investment portfolio performance.

The structure of the City's investment portfolio continues to reflect the conservative approach outlined in the Investment Policy and Strategy, which remains appropriate for the current global and domestic economic conditions. The Policy and Strategy also maintain the City's commitment to sustainable investments where returns and risks are equivalent, under the environmentally and socially responsible investment criteria.

## **Recommendation**

It is resolved that the Investment Report as at 30 November 2021 be received and noted.

## **Attachments**

**Attachment A.** Register of Investments and Cash as at 30 November 2021

**Attachment B.** Investment Performance as at 30 November 2021

## Background

1. In accordance with the principles of financial management, cash that is surplus to the City's immediate requirements is invested within acceptable risk parameters to optimise interest income while ensuring the security of these funds.
2. Surplus cash is only invested in authorised investments that comply with governing legislation and the City's Investment Policy and Strategy.
3. The benchmark performance goal of the City's Investment Policy and Strategy is to surpass the 30 Days Bank Bill Rate (BBR) by 45 basis points while performance also continues to be measured against the Bloomberg AusBond Bank Bill Index.
4. The City's total Investment and Cash position as at 30 November 2021 is \$782.8M, an increase of approximately \$77M from the \$705.7M reported as at 31 October 2021, reflecting, in particular, additional rates receipts partly offset by capital works expenditure and other operational payments. A schedule detailing all of the City's investments as at the end of November is provided at Attachment A.
5. A substantial portion of the City's cash and investments portfolio is held as internally restricted (\$330.5M) or externally restricted (\$67.8M) cash reserves, to satisfy the City's legislative responsibilities and to set aside specific funds for Council's funding commitments to the major initiatives within the Sustainable Sydney 2030 Community Strategic Plan.
6. Key commitments within the City's Long Term Financial Plan include public domain works in the CBD, infrastructure and community facilities in the Green Square urban renewal area and the acquisition of open space. The balance of investment funds represents working capital and funding required for the City's operating and other capital expenditure commitments.
7. The City achieved an annualised monthly return of 0.55 per cent for November, which remains above the 30 Day Bank Bill Rate (BBR) of 0.01 per cent, the latest AusBond Bank Bill Index (published by Bloomberg) of 0.00 per cent and the enhanced benchmark of 0.46 per cent (BBR + 0.45 per cent) as endorsed in October 2021 as part of the Investment Strategy.
8. The City's annual rolling return of 0.55 per cent also continues to exceed the 12 month average 30 Day Bank Bill Rate of 0.01 per cent, the latest AusBond Bank Bill Index of 0.02 per cent and the enhanced benchmark of 0.46 per cent (BBR + 0.45 per cent) as endorsed in the Investment Strategy in October 2021.
9. While the returns remain at historic lows, relative to returns currently available in the equity and property markets, it is worth noting Council's investment opportunities are constrained by a combination of legislation, regulation and any directions and guidelines issued by the Minister or the Office of Local Government. These guidelines were developed, in large part, as a response to the Global Financial Crisis and its impact on the local government sectors investments. They effectively limit the City's investment profile to something similar to a cash managed fund, which produces lower returns but a high level of security. The City's returns from the investment portfolio are in line with cash managed funds in the market.

10. In response to the global Covid-19 pandemic, the Reserve Bank of Australia (RBA) adjusted the official cash rate on 3 March 2020, again on 20 March 2020, and most recently in November 2020 down to 0.10 per cent. In addition, the RBA launched Term Funding Facility. This facility, now in the order of \$200 billion, has reduced the funding costs of Authorised Deposit-Taking Institutions (ADIs), in turn helping to reduce the interest rates for borrowers. The facility closed to new drawdowns on 30 June 2021, at which time \$188 billion of funding was outstanding. As the facility provides low-cost fixed-rate funding for 3 years it will continue to support low borrowing costs until mid-2024.
11. The resultant lower investment yields are expected to have a continuing adverse impact on the City's portfolio return and low interest rates are anticipated to continue for the immediate term given the current challenging economic conditions. While the market has begun to factor in future rate increases, slightly improving medium and longer term investment returns, to date the RBA's official cash rate remains unchanged.
12. The City's cash inflows, whilst reasonably resilient, have been negatively impacted for a prolonged period, as the economic consequences of the pandemic have continued to affect major revenue streams, in particular commercial property and parking related income. A greater focus on maintaining adequate liquidity with shorter investment maturities, and increasingly limited opportunities to invest funds at adequate rates of return, will also continue to affect the City's interest revenue.
13. The report includes graphs depicting that the City's cumulative portfolio returns over and above both the 90 day Bloomberg AusBond, and 30 day Bank Bill Rate benchmarks have also been included to provide further insight into the City's total investment portfolio performance.
14. The structure of the City's investment portfolio continues to reflect the conservative approach outlined in the Investment Policy and Strategy, which remains appropriate for the current global and domestic economic conditions.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030

15. The City's investments accord with all legislative and policy requirements, as detailed below, and continue to achieve returns above minimum benchmark rates.

### Financial Implications

16. The City's investments earned interest of \$0.3M for the month of November 2021, marginally above budgeted earnings of \$0.2M, as cash balances for the year to date have remained higher than anticipated when the budget was prepared.
17. The investment income budget for 2021/22 represents a substantial reduction on prior years, in anticipation of earning lower returns on the portfolio due to the reduced rates on offer in the market. In early 2022, there have been signs of small improvements in medium to long term investment rates of return. However, short term investment returns are expected to remain suppressed in the immediate future.

### **Economic**

18. The extent of the local and global economic impact resulting from Covid-19 has created significant uncertainty in financial markets. Many Governments and central banks, including the Australian Government and the Reserve Bank of Australia (RBA), are implementing large scale responses to the economic crisis, including coordinated stimulus measures involving significant increases in government spending and borrowing combined with large scale buying of bonds by central banks.
19. The RBA has reduced the official cash rate down to 0.10 per cent on 2 November 2020, and has indicated that this cash rate is unlikely to be lifted until it is confident the economy has recovered sufficiently to lift annual inflation inside its target 2 per cent to 3 per cent range.
20. Historically, returns on cash (i.e. "at call" accounts) and short term investments have been quite strong, however the low official cash rate and market variability in monthly returns may mean the short to medium term investment returns could be flat or potentially slightly negative. While the capacity for City staff to invest in a manner that meets liquidity requirements, whilst achieving the "enhanced" benchmark returns (as detailed in the Investment Policy) is increasingly limited, the best available returns continue to be actively sought when surplus funds are invested.
21. On occasion, financial institutions will not offer term deposit rates as their own liquidity requirements are already satisfied. Since the beginning of the Covid-19 pandemic, this has occurred with increased frequency, further limiting the available range of institutions able to offer adequate returns at an acceptable credit risk under the City's Investment Policy.

### **Relevant Legislation**

22. Council is authorised to invest its surplus cash under Section 625 of the Local Government Act 1993.
23. The Local Government (General) Regulation 2005 (Clause 212) requires the City to provide a written monthly report of all monies invested, under Section 625 of the Act.
24. The Investment Policy and Strategy was last revised in October 2021, maintaining Council's commitment to give preference to sustainable investments where returns and risks are equivalent to other investments.
25. The City's investments accord with the Minister's Investment Order, the Office of Local Government's Investment Policy Guidelines, and the City's own Investment Policy and Strategy as adopted by Council on 18 October 2021.

### **Critical Dates / Time Frames**

26. A monthly investment report must be submitted for Council's information and review within the following month.

## Public Consultation

27. Consultation is regularly undertaken with a number of financial institutions and investment advisers to consider options and ensure the City continues to maximise its investment return within appropriate risk parameters.
28. City staff meet regularly with representatives of each of the 'Big 4' banks and NSW TCorp. At these meetings City staff actively advocate for Socially Responsible Investment (SRI) opportunities.
29. The banks acknowledge the appetite in the market for these products and they continue to investigate the development of suitable products, however it has been challenging to match the level of funds to available Socially Responsible Investment opportunities that meet the credit risk and maturity profile requirements of the City.
30. As noted in previous Investment Reports, Westpac were able to bring a Green Tailored Deposit product to market, which delivers a comparable return while achieving the City's preferred outcomes. The City currently holds \$90M in fourteen tranches with this Green Tailored deposit.
31. The City also invested in four tranches, totalling \$35M, since the introduction of Climate Bond-certified Green Term Deposits with the Commonwealth Bank of Australia (CBA), whilst also meeting the City's risk / return profile.
32. In December 2019, the City invested \$5M in a Floating Rate Note (FRN) / Sustainability Bond issued by Bank Australia, based on an investment framework that meets the main guidelines for issuance of Green, Social and Sustainability Bonds in the global capital markets. This Socially Responsible investment opportunity met both the credit risk and maturity profile requirement of the City.

## BILL CARTER

Chief Financial Officer

# **Attachment A**

**Register of Investments and Cash  
as at 30 November 2021**

**Register of Investments and Cash for November 2021 period**

Institution	Rating	Face Value \$	Amortised Value \$	Monthly Net Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Investment Date	Term (months)
<b>Call Account</b>									
Westpac Bank	AA	-	-	0.00%	0.00%	0.00%	1-Dec-21	22-May-12	0
Commonwealth Bank	AA	40,200,073	40,200,073	0.02%	0.20%	0.20%	1-Dec-21	11-Jun-20	0
Macquarie Bank Ltd	AA	9,948,727	9,948,727	0.03%	0.35%	0.35%	1-Dec-21	21-Sep-20	0
<b>Total</b>		<b>50,148,800</b>	<b>50,148,800</b>	<b>0.02%</b>	<b>0.23%</b>	<b>0.23%</b>			
<b>Term Deposits (TD)</b>									
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.52%	0.52%	1-Dec-21	1-Dec-20	12
Macquarie Bank	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	10-Dec-21	11-Dec-20	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	14-Dec-21	15-Dec-20	12
Macquarie Bank	A	5,000,000.00	5,000,000.00	0.05%	0.60%	0.60%	17-Dec-21	18-Dec-20	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.41%	0.41%	24-Dec-21	25-Jan-21	11
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	29-Dec-21	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	29-Dec-21	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	30-Dec-21	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	3-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	4-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	5-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	6-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	7-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	10-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	11-Jan-22	11-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	11-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	12-Jan-22	11-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	12-Jan-22	8-Jan-21	12
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.42%	0.42%	14-Jan-22	15-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	14-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	17-Jan-22	11-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	17-Jan-22	8-Jan-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.43%	0.43%	25-Jan-22	25-Jan-21	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.41%	0.41%	28-Jan-22	25-Jan-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.44%	0.44%	31-Jan-22	1-Mar-21	11
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.44%	0.44%	4-Feb-22	1-Mar-21	11
ME Bank	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	7-Feb-22	9-Feb-21	12
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	8-Feb-22	12-May-21	9
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	11-Feb-22	14-May-21	9
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	15-Feb-22	10-Aug-21	6
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	16-Feb-22	16-Feb-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	17-Feb-22	17-Feb-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	18-Feb-22	18-Feb-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	22-Feb-22	19-Feb-21	12
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	25-Feb-22	31-May-21	9
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	28-Feb-22	2-Jul-21	8
Commonwealth Bank	AA	10,000,000.00	10,000,000.00	0.04%	0.45%	0.45%	1-Mar-22	1-Mar-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.44%	0.44%	2-Mar-22	2-Mar-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.32%	0.32%	11-Mar-22	10-Sep-21	6
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	15-Mar-22	7-Sep-21	6
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	18-Mar-22	13-Aug-21	7
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	29-Mar-22	21-Sep-21	6
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.41%	0.41%	5-Apr-22	6-Apr-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.41%	0.41%	8-Apr-22	7-Apr-21	12
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	12-Apr-22	9-Jul-21	9
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.43%	0.43%	14-Apr-22	16-Jul-21	9
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	22-Apr-22	9-Aug-21	8
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	26-Apr-22	14-Sep-21	7
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	29-Apr-22	30-Sep-21	7
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.36%	0.36%	29-Apr-22	2-Sep-21	8
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	6-May-22	1-Oct-21	7
ME Bank	A	3,000,000.00	3,000,000.00	0.04%	0.50%	0.50%	6-May-22	31-Aug-21	8
IMB	A	5,000,000.00	5,000,000.00	0.02%	0.26%	0.26%	10-May-22	9-Sep-21	8
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.39%	0.39%	13-May-22	14-May-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.37%	0.37%	20-May-22	20-Aug-21	9
IMB	A	5,000,000.00	5,000,000.00	0.02%	0.27%	0.27%	24-May-22	20-Aug-21	9
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.31%	0.31%	27-May-22	30-Sep-21	8
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.25%	0.25%	27-May-22	10-Sep-21	8
Westpac Banking Corporation - Quarterly Payments	AA	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	31-May-22	31-May-21	12
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.26%	0.26%	3-Jun-22	2-Sep-21	9
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	7-Jun-22	17-Aug-21	10
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	10-Jun-22	11-Jun-21	12
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	17-Jun-22	21-Sep-21	9
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	17-Jun-22	26-Aug-21	10
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	21-Jun-22	27-Aug-21	10
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	24-Jun-22	23-Nov-21	7
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	24-Jun-22	25-Aug-21	10
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	1-Jul-22	22-Oct-21	8
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.42%	0.42%	5-Jul-22	1-Jul-21	12
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	8-Jul-22	31-Aug-21	10
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.39%	0.39%	15-Jul-22	30-Aug-21	10
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	19-Jul-22	19-Nov-21	8
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	22-Jul-22	24-Aug-21	11
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.53%	0.53%	26-Jul-22	26-Nov-21	8
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	29-Jul-22	24-Aug-21	11
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	2-Aug-22	27-Aug-21	11
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.55%	0.55%	5-Aug-22	29-Nov-21	8
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	12-Aug-22	13-Aug-21	12
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	19-Aug-22	16-Nov-21	9
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	23-Aug-22	18-Nov-21	9
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.03%	0.32%	0.32%	26-Aug-22	31-Aug-21	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	9-Sep-22	23-Nov-21	10
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	13-Sep-22	12-Nov-21	10
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.60%	0.60%	16-Sep-22	15-Nov-21	10
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	23-Sep-22	23-Nov-21	10
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	23-Sep-22	26-Oct-21	11
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	29-Sep-22	29-Nov-21	10
Westpac Banking Corporation (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	30-Sep-22	29-Sep-21	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.36%	0.36%	7-Oct-22	1-Oct-21	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.37%	0.37%	11-Oct-22	6-Oct-21	12
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.03%	0.43%	0.43%	14-Oct-22	15-Oct-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.39%	0.39%	14-Oct-22	14-Oct-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.58%	0.58%	18-Oct-22	18-Nov-21	11
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.70%	0.70%	1-Nov-22	3-Nov-21	12
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.60%	0.60%	4-Nov-22	9-Nov-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.64%	0.64%	18-Nov-22	17-Nov-21	12
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.04%	0.52%	0.52%	25-Aug-23	23-Aug-21	24
National									

**Register of Investments and Cash for November 2021 period**

Institution	Rating	Face Value \$	Amortised Value \$	Monthly Net Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Investment Date	Term (months)
<b>Term Deposits (TD) 'Green Tailored Deposits'</b>									
Commonwealth Bank - Green Tailored Deposit	AA	10,000,000.00	10,000,000.00	0.03%	0.38%	0.38%	17-Dec-21	17-Feb-21	10
Commonwealth Bank - Green Tailored Deposit	AA	10,000,000.00	10,000,000.00	0.04%	0.46%	0.46%	23-Dec-21	23-Dec-20	12
Commonwealth Bank - Green Tailored Deposit	AA	10,000,000.00	10,000,000.00	0.04%	0.42%	0.42%	14-Jan-22	15-Jan-21	12
Commonwealth Bank - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.04%	0.43%	0.43%	8-Mar-22	9-Mar-21	12
Westpac Banking Corporation - Green Tailored Deposit (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.04%	0.47%	0.47%	21-Oct-22	18-Oct-21	12
Westpac Banking Corporation - Green Tailored Deposit (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	25-Oct-22	22-Oct-21	12
Westpac Banking Corporation - Green Tailored Deposit (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.05%	0.59%	0.59%	11-Nov-22	11-Nov-21	12
Westpac Banking Corporation - Green Tailored Deposit (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.05%	0.60%	0.60%	25-Nov-22	24-Nov-21	12
Westpac Banking Corporation - Green Tailored Deposit (0.50% Fixed 1 years & 3 months BBSW + 47 points for year 1)	AA	10,000,000.00	10,000,000.00	0.04%	0.50%	0.50%	21-Dec-22	21-Dec-20	24
Westpac Banking Corporation - Green Tailored Deposit (0.47% Fixed 1 years & 3 months BBSW + 45 points for year 2)	AA	10,000,000.00	10,000,000.00	0.04%	0.47%	0.47%	23-Dec-22	23-Dec-20	24
Westpac Banking Corporation - Green Tailored Deposit (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.07%	0.85%	0.85%	19-May-23	19-Nov-21	24
Westpac Banking Corporation - Green Tailored Deposit (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.06%	0.70%	0.70%	11-Oct-23	11-Oct-21	24
Westpac Banking Corporation - Green Tailored Deposit (3 Months BBSW + 93 points)	AA	10,000,000.00	10,000,000.00	0.08%	0.98%	0.95%	27-Nov-23	26-Nov-18	60
Westpac Banking Corporation - Green Tailored Deposit (2.97% Fixed 2 years & 3 months BBSW + 93 points 3 years)	AA	5,000,000.00	5,000,000.00	0.08%	0.98%	1.11%	29-Nov-23	30-Nov-18	60
Westpac Banking Corporation - Green Tailored Deposit (3.00% Fixed 1 years & 3 months BBSW + 105 points 4 years)	AA	10,000,000.00	10,000,000.00	0.09%	1.10%	1.08%	24-Jan-24	25-Jan-19	60
Westpac Banking Corporation - Green Tailored Deposit (2.85% Fixed 1 years & 3 months BBSW + 100 points 4 years)	AA	5,000,000.00	5,000,000.00	0.09%	1.05%	1.05%	28-Feb-24	1-Mar-19	60
Westpac Banking Corporation - Green Tailored Deposit (2.75% Fixed 1 year & 3 months BBSW + 100 points 4 years)	AA	5,000,000.00	5,000,000.00	0.09%	1.03%	1.03%	11-Mar-24	13-Mar-19	60
Westpac Banking Corporation - Green Tailored Deposit (2.65% Fixed 1 year & 3 months BBSW + 100 points 4 years)	AA	5,000,000.00	5,000,000.00	0.09%	1.04%	1.03%	22-Mar-24	25-Mar-19	60
<b>Total</b>		<b>576,000,000</b>	<b>576,000,000</b>	<b>0.04%</b>	<b>0.51%</b>	<b>0.52%</b>			
<b>Floating Rate Notes (FRN)</b>									
ANZ Bank (90 days BBSW + 88 points)	AA	4,000,000.00	4,000,000.00	0.08%	0.92%	0.91%	8-Feb-22	8-Feb-19	36
Credit Union Australia (90 days BBSW + 123 points)	A	1,500,000.00	1,500,000.00	0.11%	1.26%	1.26%	4-Mar-22	4-Mar-19	36
ME Bank (90 days BBSW + 98 points)	BBB	3,000,000.00	3,000,000.00	0.09%	1.02%	1.01%	18-Jul-22	18-Jul-19	36
Suncorp Bank (90 days BBSW + 97 points)	A	4,000,000.00	4,003,941.39	0.09%	1.02%	1.00%	16-Aug-22	31-Oct-18	45
Suncorp Bank (90 days BBSW + 97 points)	A	2,500,000.00	2,500,000.00	0.08%	1.01%	1.00%	16-Aug-22	16-Aug-17	60
Bank of Queensland (90 days BBSW + 105 points)	BBB	4,000,000.00	4,000,000.00	0.09%	1.10%	1.06%	3-Feb-23	5-Feb-18	60
Credit Union Australia (3 months BBSW + 90 bps)	BBB	2,800,000.00	2,800,000.00	0.08%	0.95%	0.92%	21-Feb-23	21-Feb-20	36
Westpac Bank (90 days BBSW + 83 points)	AA	5,000,000.00	5,000,000.00	0.07%	0.86%	0.86%	6-Mar-23	6-Mar-18	60
ANZ Bank (90 days BBSW + 90 points)	AA	5,000,000.00	5,000,000.00	0.08%	0.95%	0.93%	9-May-23	9-May-18	60
National Australia Bank (90 days BBSW + 90 points)	AA	5,000,000.00	5,000,000.00	0.08%	0.94%	0.94%	16-May-23	16-May-18	60
Commonwealth Bank (90 days BBSW + 93 points)	AA	3,500,000.00	3,500,000.00	0.08%	0.97%	0.95%	16-Aug-23	16-Aug-18	60
Suncorp Bank (90 days BBSW + 77 points)	A	4,500,000.00	4,500,000.00	0.07%	0.80%	0.80%	13-Sep-23	13-Sep-18	60
National Australia Bank (90 days BBSW + 93 points)	AA	3,500,000.00	3,500,000.00	0.08%	0.97%	0.96%	26-Sep-23	26-Sep-18	60
ANZ Bank (90 days BBSW + 103 points)	AA	5,000,000.00	5,000,000.00	0.09%	1.06%	1.06%	6-Dec-23	6-Dec-18	60
National Australia Bank (90 days BBSW + 104 points)	AA	4,000,000.00	4,000,000.00	0.09%	1.09%	1.07%	26-Feb-24	26-Feb-19	60
National Australia Bank (90 days BBSW + 92 points)	AA	3,200,000.00	3,200,000.00	0.08%	0.95%	0.95%	19-Jun-24	20-Jun-19	60
Westpac Banking Corporation (90 days BBSW + 88 points)	AA	4,000,000.00	4,000,000.00	0.08%	0.92%	0.95%	16-Aug-24	16-May-19	63
ANZ Bank (90 days BBSW + 77 points)	AA	4,000,000.00	4,000,000.00	0.07%	0.82%	0.81%	29-Aug-24	29-Aug-19	60
National Australia Bank (90 days BBSW + 77 points)	AA	5,000,000.00	5,000,000.00	0.07%	0.83%	0.80%	21-Jan-25	21-Jan-20	60
Macquarie Bank (3 months BBSW + 84 points)	A	5,000,000.00	5,000,000.00	0.07%	0.88%	0.87%	12-Feb-25	12-Feb-20	60
Suncorp Bank (90 days BBSW + 112 points)	AAA	1,500,000.00	1,500,000.00	0.10%	1.15%	1.15%	24-Apr-25	27-Apr-20	60
Macquarie Bank (3 months BBSW + 48 points)	A	5,000,000.00	5,000,000.00	0.04%	0.51%	0.51%	9-Dec-25	9-Dec-20	60
Suncorp Bank (90 days BBSW + 45 points)	A	2,100,000.00	2,100,000.00	0.04%	0.50%	0.47%	24-Feb-26	24-Feb-21	60
Newcastle Permanent Building Society (90 days BBSW + 63 points)	BBB	5,000,000.00	5,000,000.00	0.06%	0.67%	0.67%	4-Mar-26	4-Mar-21	60
Bendigo & Adelaide Bank (90 days BBSW + 65 points)	BBB	5,000,000.00	5,000,000.00	0.06%	0.68%	0.68%	18-Jun-26	18-Jun-21	60
Suncorp Bank (90 days BBSW + 48 points)	A	3,750,000.00	3,750,000.00	0.04%	0.51%	0.51%	15-Sep-26	15-Sep-21	60
Bank of Queensland (90 days BBSW + 80 points)	B	3,000,000.00	3,000,000.00	0.07%	0.85%	0.85%	27-Oct-26	27-Oct-21	60
<b>Floating Rate Notes (FRN) 'Green/Climate Bonds/Sustainability Bond'</b>									
Bank Australia - Sustainability Bond (3months BBSW + 90 points)	BBB	5,000,000.00	5,000,000.00	0.08%	0.93%	0.94%	2-Dec-22	2-Dec-19	36
Commonwealth Bank Climate Bond (90 days BBSW + 92 points)	AA	5,000,000.00	5,000,000.00	0.08%	0.94%	0.96%	31-Mar-22	31-Mar-17	60
<b>Total</b>		<b>113,850,000</b>	<b>113,853,941</b>	<b>0.07%</b>	<b>0.88%</b>	<b>0.88%</b>			
<b>Total Investments</b>		<b>739,998,800</b>	<b>740,002,741</b>	<b>0.05%</b>	<b>0.55%</b>	<b>0.55%</b>			
<b>Benchmark: 30 Day Bank Bill Index</b>				<b>0.00%</b>	<b>0.01%</b>	<b>0.01%</b>			
<b>Benchmark: Bloomberg AusBond Bank Bill Index</b>				<b>0.00%</b>	<b>0.00%</b>	<b>0.02%</b>			
<b>City of Sydney's available bank balance as at 30 November 2021</b>		<b>42,810,640</b>	<b>42,810,640</b>						
<b>TOTAL INVESTMENTS &amp; CASH</b>		<b>782,809,440</b>	<b>782,813,381</b>						

**Summary of Net Investment Movements - November 2021**

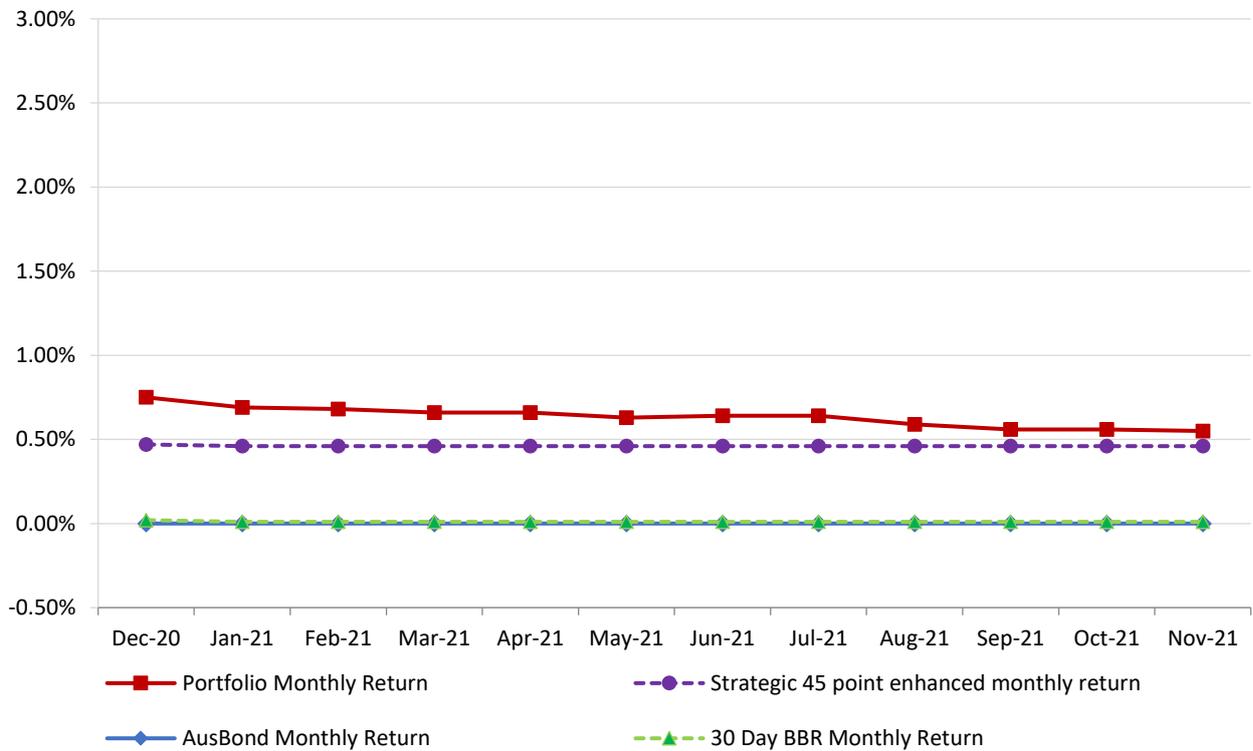
Financial Institution	Fund Rating	Net Invest/(Recall) Amount \$	Commentary
<b><u>General Fund</u></b>			
Westpac Banking Corporation	AA	36,000,000	November closing balance is higher compared to October, due to a property settlement on the last day of November. Additional funds also received due to higher volume of receipts in General fund account
<b><u>Call Account</u></b>			
Commonwealth Bank	AA	10,000,000	Additional income placed in Commonwealth Bank for operational use
<b><u>Term Deposits (TDs)</u></b>			
Bank of Queensland	A	15,000,000	Redeemed matured investments and additional income placed in higher yielding term deposits.
Bendigo & Adelaide Bank	A	20,000,000	
Westpac Banking Corporation	AA	10,000,000	
National Aust Bank	AA	(5,000,000)	Redemption of matured term deposits, utilised for operational use or reinvested with higher yielding products.
<b><u>Floating Rate Notes (FRNs)</u></b>			
Bank of China	A	(4,500,000)	Matured floating rate notes placed in higher yielding term deposits
Commonwealth Bank	AA	(4,600,000)	

# **Attachment B**

**Investment Performance as at  
30 November 2021**

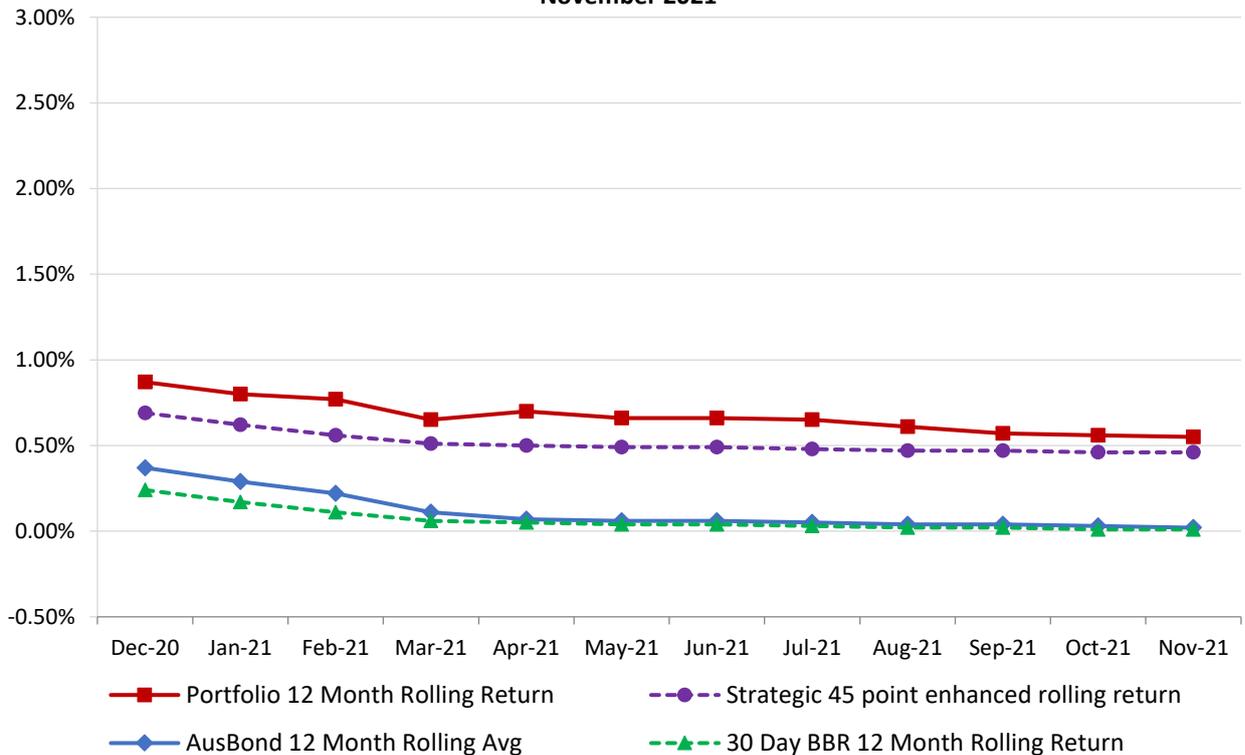
### Monthly Results

Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark  
November 2021

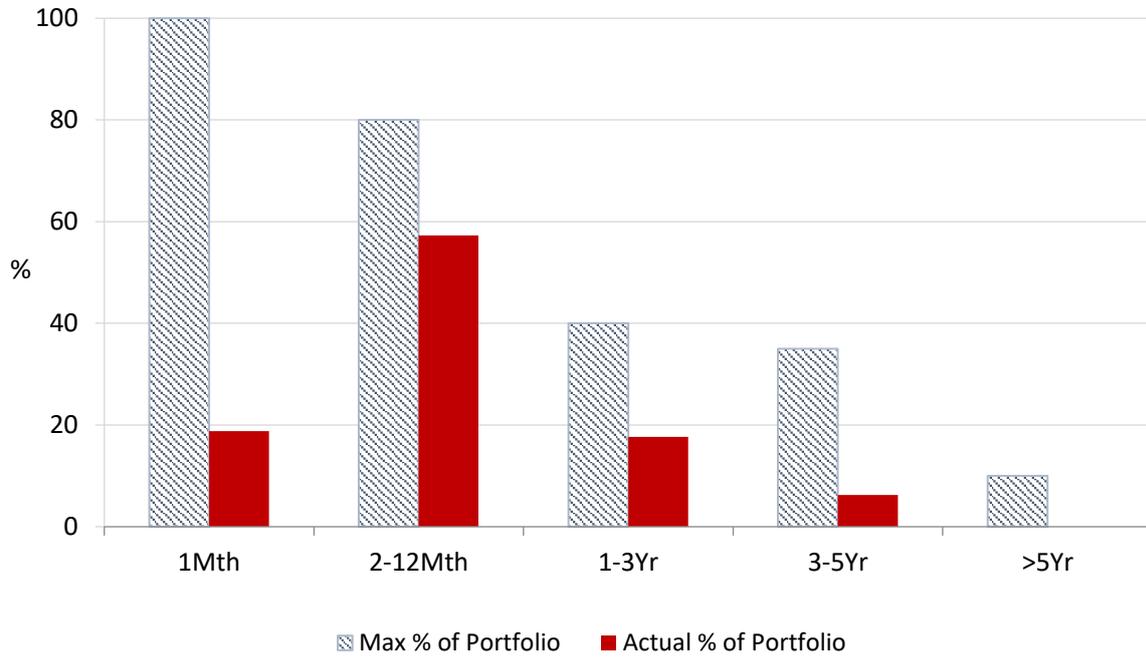


### 12 Month Rolling Averages

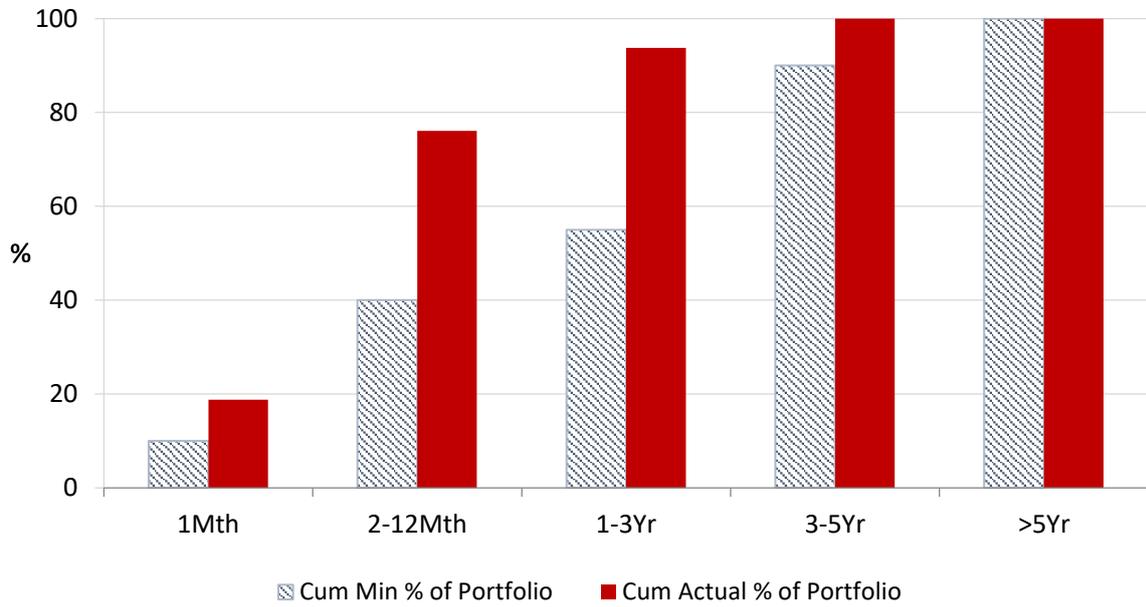
Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark  
November 2021



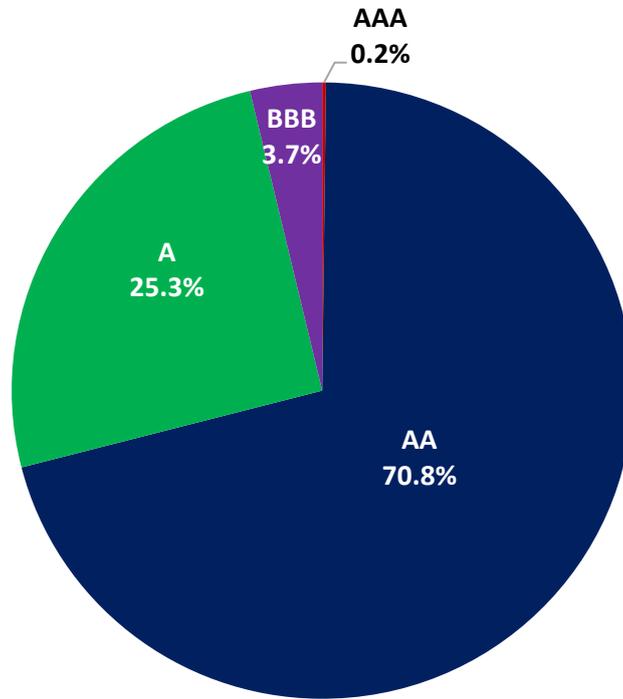
**Portfolio Liquidity - Maximum Allowances as at 30 November 2021**



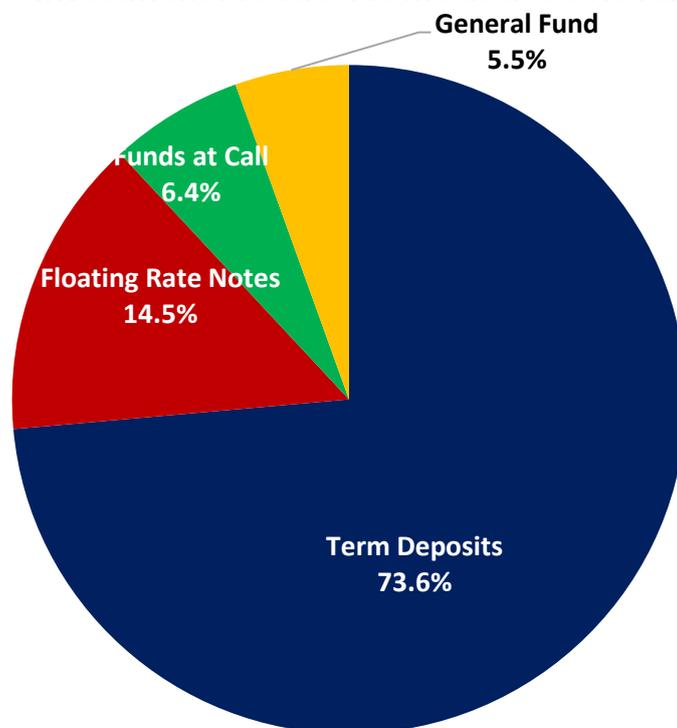
**Portfolio Liquidity - Minimum Allocations as at 30 November 2021**



### Risk Profile as at 30 November 2021



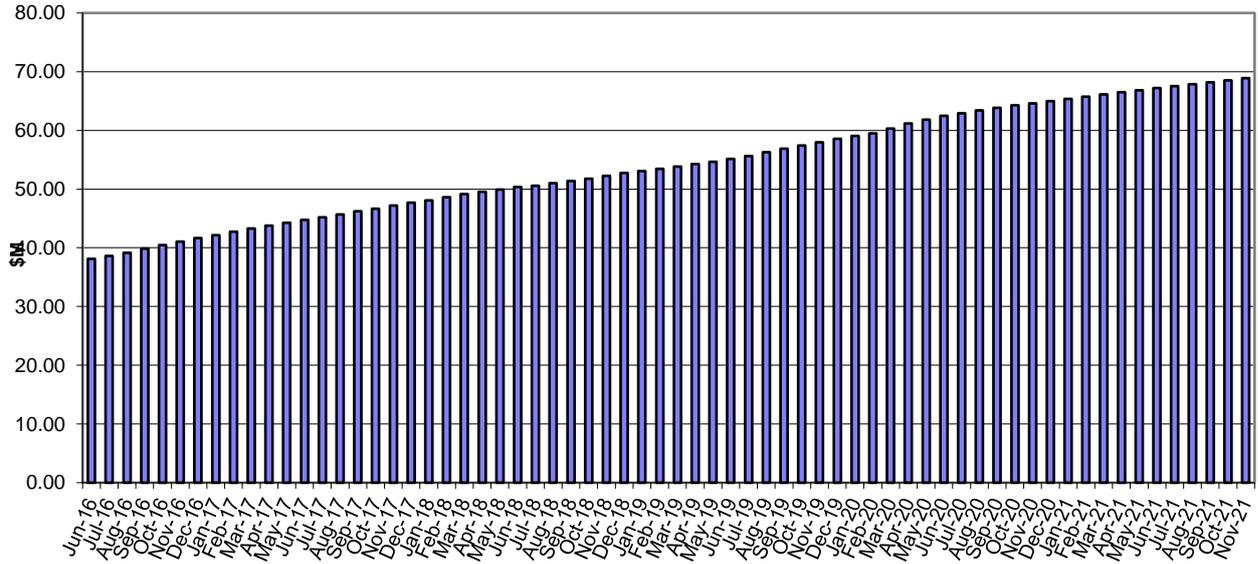
### Investment Product Profile as at 30 November 2021



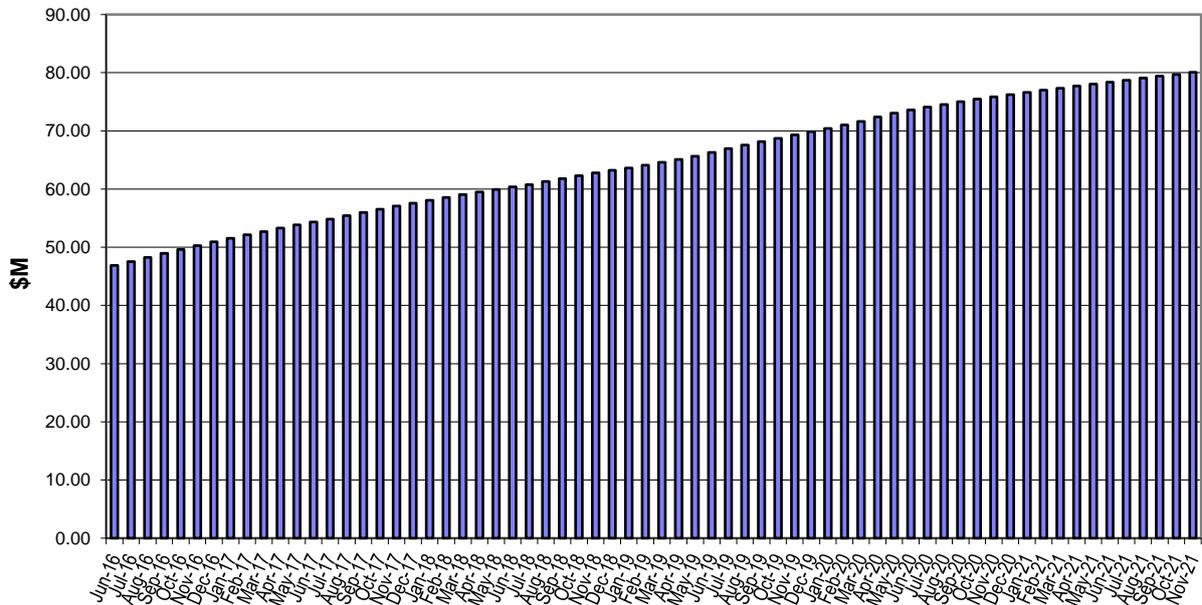
**INVESTMENT AND CASH DISTRIBUTION BY FINANCIAL INSTITUTION**  
**as at 30 November 2021**

Institution Category	Financial Institution	Amount \$M	Financial Inst. %	Institution Cat. %
Australian Big 4 Bank (and related institutions)	ANZ Bank	18.0	2.3	
	Commonwealth Bank	223.7	28.6	
	National Aust Bank	65.7	8.4	
	Westpac Banking Corporation	236.8	30.3	
<b>Big 4 Total</b>		<b>544.2</b>		<b>69.5</b>
Other Australian ADIs and Australian subsidiaries of foreign institutions	Bank Australia Limited	5.0	0.6	
	Bank of Queensland	57.0	7.3	
	Bendigo & Adelaide Bank	60.0	7.7	
	Great Southern Bank (formerly Credit Union Australia)	4.3	0.5	
	IMB	10.0	1.3	
	ME Bank	16.0	2.0	
	Suncorp Bank	18.4	2.3	
	Macquarie Bank Ltd	52.9	6.8	
	Northern Territory Treasury Corporation	10.0	1.3	
Newcastle Permanent Building Society	5.0	0.6		
<b>Other ADI Total</b>		<b>238.6</b>		<b>30.5</b>
<b>Grand Total</b>		<b>782.8</b>	<b>100.0</b>	<b>100.0</b>

### Cumulative Outperformance over AusBond Benchmark - 2015-2021



### Cumulative Outperformance over 30 Day BBR Benchmark - 2015-2021



## Item 4.

### Investments Held as at 31 December 2021

File No: X020701

#### Summary

This report provides details of the City's investment portfolio and performance to 31 December 2021.

The City's total Investment and Cash position was \$734.7M at 31 December 2021, with investments earning interest of \$0.3M for the month.

The Covid-19 pandemic continues to create significant uncertainty in financial markets. The Reserve Bank of Australia (RBA) responded to the crisis by reducing the official cash rate, firstly on 3 March 2020 to 0.50 per cent, again on 20 March 2020 to 0.25 per cent, and then again on 2 November 2020 down to an official cash rate of 0.10 per cent. The RBA also launched a Term Funding Facility, now in the order of \$200 billion, which further reduced the funding costs of Authorised Deposit-Taking Institutions (ADIs). The market responded to these actions by reducing the rates on offer, with the lower investment yields continuing to have a sustained adverse impact on the City's portfolio return.

The City's cash inflows are also negatively impacted as the economic consequences of the pandemic continue to reduce major revenue streams, in particular commercial property and parking related income. A greater focus on maintaining adequate liquidity with shorter investment maturities, and increasingly limited opportunities to invest funds at adequate rates of return, continues to affect the City's interest revenue.

The majority of the City's cash and investments portfolio is held as internally restricted (\$330.5M) or externally restricted (\$67.8M) cash reserves, to satisfy the City's legislative responsibilities and to set aside specific funds for Council's funding commitments to the major initiatives within the Sustainable Sydney 2030 Community Strategic Plan.

Key commitments within the City's Long Term Financial Plan include public domain works in the CBD, infrastructure and community facilities in the Green Square urban renewal area and open space acquisitions. The balance of investment funds represents working capital and funding required for the City's operating and capital expenditure commitments, including the Covid-19 relief grants program.

The City achieved an annualised monthly return of 0.55 per cent for December, which remains above the 30 Day Bank Bill Rate (BBR) of 0.01 per cent, the latest AusBond Bank Bill Index (published by Bloomberg) of 0.00 per cent and the enhanced benchmark of 0.46 per cent (BBR + 0.45 per cent) as endorsed in October 2021 as part of the Investment Strategy.

The City's annual rolling return of 0.55 per cent also continues to exceed the 12 month average 30 Day Bank Bill Rate of 0.01 per cent, the latest AusBond Bank Bill Index of 0.05 per cent and the enhanced benchmark of 0.46 per cent (BBR + 0.45 per cent) as endorsed in the Investment Strategy in October 2021.

While the returns remain at historic lows, it is worth noting Council's investment opportunities are constrained by a combination of legislation, regulation and any directions and guidelines issued by the Minister or the Office of Local Government. These guidelines were developed, in large part, as a response to the Global Financial Crisis and its impact on the local government sectors investments. They effectively limit the City's investment profile to something similar to a cash managed fund, which generally produce lower returns but a high level of security. The City's returns from the investment portfolio remain in line with cash managed funds in the market.

The report includes graphs demonstrating that the City's liquidity profile continues to satisfy the requirements of the Policy, and charts that identify the distribution of the City's portfolio across credit ratings, investment product types and financial institutions. Separate charts depicting the City's cumulative portfolio returns over and above both the 90 day Bloomberg AusBond and 30 day Bank Bill Rate benchmarks have also been included to provide further insight into the City's total investment portfolio performance.

The structure of the City's investment portfolio continues to reflect the conservative approach outlined in the Investment Policy and Strategy, which remains appropriate for the current global and domestic economic conditions. The Policy and Strategy also maintain the City's commitment to sustainable investments where returns and risks are equivalent, under the environmentally and socially responsible investment criteria.

## **Recommendation**

It is resolved that the Investment Report as at 31 December 2021 be received and noted.

## **Attachments**

**Attachment A.** Register of Investments and Cash as at 31 December 2021

**Attachment B.** Investment Performance as at 31 December 2021

## Background

1. In accordance with the principles of financial management, cash that is surplus to the City's immediate requirements is invested within acceptable risk parameters to optimise interest income while ensuring the security of these funds.
2. Surplus cash is only invested in authorised investments that comply with governing legislation and the City's Investment Policy and Strategy.
3. The benchmark performance goal of the City's Investment Policy and Strategy is to surpass the 30 Days Bank Bill Rate (BBR) by 45 basis points while performance also continues to be measured against the Bloomberg AusBond Bank Bill Index.
4. The City's total Investment and Cash position as at 31 December 2021 is \$734.7M, a decrease of approximately \$48M from the \$782.8M reported as at 30 November 2021. The monthly movement reflects capital works expenditure and other operational payments in excess of operating income for the period. A schedule detailing all of the City's investments as at the end of December is provided at Attachment A.
5. A substantial portion of the City's cash and investments portfolio is held as internally restricted (\$330.5M) or externally restricted (\$67.8M) cash reserves, to satisfy the City's legislative responsibilities and to set aside specific funds for Council's funding commitments to the major initiatives within the Sustainable Sydney 2030 Community Strategic Plan.
6. Key commitments within the City's Long Term Financial Plan include public domain works in the CBD, infrastructure and community facilities in the Green Square urban renewal area and the acquisition of open space. The balance of investment funds represents working capital and funding required for the City's operating and other capital expenditure commitments.
7. The City achieved an annualised monthly return of 0.55 per cent for December, which remains above the 30 Day Bank Bill Rate (BBR) of 0.01 per cent, the latest AusBond Bank Bill Index (published by Bloomberg) of 0.00 per cent and the enhanced benchmark of 0.46 per cent (BBR + 0.45 per cent) as endorsed in October 2021 as part of the Investment Strategy.
8. The City's annual rolling return of 0.55 per cent also continues to exceed the 12 month average 30 Day Bank Bill Rate of 0.01 per cent, the latest AusBond Bank Bill Index of 0.05 per cent and the enhanced benchmark of 0.46 per cent (BBR + 0.45 per cent) as endorsed in the Investment Strategy in October 2021.
9. While the returns remain at historic lows, relative to returns currently available in the equity and property markets, it is worth noting that Council's investment opportunities are constrained by a combination of legislation, regulation and any directions and guidelines issued by the Minister or the Office of Local Government. These guidelines were developed, in large part, as a response to the Global Financial Crisis and its impact on the local government sectors investments. They effectively limit the City's investment profile to something similar to a cash managed fund, which produces lower returns but a high level of security. The City's returns from the investment portfolio are line with cash managed funds in the market.

10. In response to the global Covid-19 pandemic, the Reserve Bank of Australia (RBA) adjusted the official cash rate on 3 March 2020, again on 20 March 2020, and most recently in November 2020 down to 0.10 per cent. In addition, the RBA launched Term Funding Facility. This facility, now in the order of \$200 billion, has reduced the funding costs of Authorised Deposit-Taking Institutions (ADIs), in turn helping to reduce the interest rates for borrowers. The facility closed to new drawdowns on 30 June 2021, at which time \$188 billion of funding was outstanding. As the facility provides low-cost fixed-rate funding for 3 years it will continue to support low borrowing costs until mid-2024.
11. The resultant lower investment yields are expected to have a continuing adverse impact on the City's portfolio return and low interest rates are anticipated to continue for the immediate term given the current challenging economic conditions. While the market has begun to factor in future rate increases, slightly improving medium and longer term investment returns, to date the RBA's official cash rate remains unchanged.
12. The City's cash inflows, whilst reasonably resilient, have been negatively impacted for a prolonged period, as the economic consequences of the pandemic have continued to affect major revenue streams, in particular commercial property and parking related income. A greater focus on maintaining adequate liquidity with shorter investment maturities, and increasingly limited opportunities to invest funds at adequate rates of return, will also continue to affect the City's interest revenue.
13. The report includes graphs depicting that the City's cumulative portfolio returns over and above both the 90 day Bloomberg AusBond, and 30 day Bank Bill Rate benchmarks have also been included to provide further insight into the City's total investment portfolio performance.
14. The structure of the City's investment portfolio continues to reflect the conservative approach outlined in the Investment Policy and Strategy, which remains appropriate for the current global and domestic economic conditions.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030

15. The City's investments accord with all legislative and policy requirements, as detailed below, and continue to achieve returns above minimum benchmark rates.

## Financial Implications

16. The City's investments earned interest of \$0.3M for the month of December 2021, marginally above budgeted earnings of \$0.2M, as cash balances for the year to date have remained higher than anticipated when the budget was prepared.
17. The budget for 2021/22 represents a substantial reduction on prior years, in anticipation of earning lower returns on the portfolio due to the reduced rates on offer in the market. In early 2022, there have been signs of small improvements in medium to long term investment rates of return. However, short term investment returns are expected to remain suppressed in the immediate future.

## Economic

18. The extent of the local and global economic impact resulting from Covid-19 has created significant uncertainty in financial markets. Many Governments and central banks, including the Australian Government and the Reserve Bank of Australia (RBA), are implementing large scale responses to the economic crisis, including coordinated stimulus measures involving significant increases in government spending and borrowing combined with large scale buying of bonds by central banks.
19. The RBA last reduced the official cash rate down to 0.10 per cent on 2 November 2020, and has indicated that this cash rate is unlikely to be lifted until it is confident the economy has recovered sufficiently to lift annual inflation inside its target 2 per cent to 3 per cent range.
20. Historically, returns on cash (i.e. "at call" accounts) and short term investments have been quite strong, however the low official cash rate and market variability in monthly returns may mean the short to medium term investment returns could be flat or potentially slightly negative. While the capacity for City staff to invest in a manner that meets liquidity requirements, whilst achieving the "enhanced" benchmark returns (as detailed in the Investment Policy) is increasingly limited, the best available returns continue to be actively sought when surplus funds are invested.
21. On occasion, financial institutions will not offer term deposit rates as their own liquidity requirements are already satisfied. Since the beginning of the Covid-19 pandemic, this has occurred with increased frequency, further limiting the available range of institutions able to offer adequate returns at an acceptable credit risk under the City's Investment Policy.

## Relevant Legislation

22. Council is authorised to invest its surplus cash under Section 625 of the Local Government Act 1993.
23. The Local Government (General) Regulation 2005 (Clause 212) requires the City to provide a written monthly report of all monies invested, under Section 625 of the Act.
24. The Investment Policy and Strategy was last revised in October 2021, maintaining Council's commitment to give preference to sustainable investments where returns and risks are equivalent to other investments.
25. The City's investments accord with the Minister's Investment Order, the Office of Local Government's Investment Policy Guidelines, and the City's own Investment Policy and Strategy as adopted by Council on 18 October 2021.

## Critical Dates / Time Frames

26. A monthly investment report must be submitted for Council's information and review within the following month.

**Public Consultation**

27. Consultation is regularly undertaken with a number of financial institutions and investment advisers to consider options and ensure the City continues to maximise its investment return within appropriate risk parameters.
28. City staff meet regularly with representatives of each of the 'Big 4' banks and NSW TCorp. At these meetings City staff actively advocate for Socially Responsible Investment (SRI) opportunities.
29. The banks acknowledge the appetite in the market for these products and they continue to investigate the development of suitable products, however it has been challenging to match the level of funds to available Socially Responsible Investment opportunities that meet the credit risk and maturity profile requirements of the City.
30. As noted in previous Investment Reports, Westpac were able to bring a Green Tailored Deposit product to market, which delivers a comparable return while achieving the City's preferred outcomes. The City currently holds \$90M in fourteen tranches with this Green Tailored deposit.
31. The City currently holds, in two tranches, investments totalling \$15M in Climate Bond-certified Green Term Deposits with the Commonwealth Bank of Australia (CBA) that also meeting the City's risk / return profile.
32. The City has also invested \$5M in a Floating Rate Note (FRN) / Sustainability Bond issued by Bank Australia, based on an investment framework that meets the main guidelines for issuance of Green, Social and Sustainability Bonds in the global capital markets. This Socially Responsible investment opportunity met both the credit risk and maturity profile requirement of the City.

**BILL CARTER**

Chief Financial Officer

# **Attachment A**

**Register of Investments and  
Cash as at 31 December 2021**

**Register of Investments and Cash for December 2021 period**

Institution	Rating	Face Value \$	Amortised Value \$	Monthly Net Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Investment Date	Term (months)
<b>Call Account</b>									
Westpac Bank	AA	-	-	0.00%	0.00%	0.00%	1-Jan-22	22-May-12	0
Commonwealth Bank	AA	48,205,914	48,205,914	0.02%	0.20%	0.20%	1-Jan-22	11-Jun-20	0
Macquarie Bank Ltd	AA	9,955,378	9,955,378	0.03%	0.35%	0.35%	1-Jan-22	21-Sep-20	0
<b>Total</b>		<b>58,161,293</b>	<b>58,161,293</b>	<b>0.02%</b>	<b>0.23%</b>	<b>0.23%</b>			
<b>Term Deposits (TD)</b>									
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	3-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	4-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	5-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	6-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	7-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	10-Jan-22	11-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	10-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	11-Jan-22	11-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	11-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	12-Jan-22	11-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	12-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	13-Jan-22	8-Jan-21	12
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.42%	0.42%	14-Jan-22	15-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	14-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	17-Jan-22	11-Jan-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.43%	0.43%	25-Jan-22	25-Jan-21	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.41%	0.41%	28-Jan-22	25-Jan-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.44%	0.44%	31-Jan-22	1-Mar-21	11
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.44%	0.44%	4-Feb-22	1-Mar-21	11
ME Bank	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	7-Feb-22	9-Feb-21	12
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	8-Feb-22	12-May-21	9
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	11-Feb-22	14-May-21	9
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	15-Feb-22	10-Aug-21	6
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	16-Feb-22	16-Feb-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	17-Feb-22	17-Feb-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	18-Feb-22	18-Feb-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	22-Feb-22	19-Feb-21	12
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	25-Feb-22	31-May-21	9
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	28-Feb-22	2-Jul-21	8
Commonwealth Bank	AA	10,000,000.00	10,000,000.00	0.04%	0.45%	0.45%	1-Mar-22	1-Mar-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.44%	0.44%	2-Mar-22	2-Mar-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.32%	0.32%	11-Mar-22	10-Sep-21	6
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	15-Mar-22	7-Sep-21	6
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	18-Mar-22	13-Aug-21	7
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	29-Mar-22	21-Sep-21	6
IMB	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	1-Apr-22	1-Dec-21	4
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.41%	0.41%	5-Apr-22	6-Apr-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.41%	0.41%	8-Apr-22	7-Apr-21	12
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	12-Apr-22	9-Jul-21	9
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.43%	0.43%	14-Apr-22	16-Jul-21	9
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	22-Apr-22	9-Aug-21	8
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	26-Apr-22	14-Sep-21	7
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	29-Apr-22	30-Sep-21	7
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.36%	0.36%	29-Apr-22	2-Sep-21	8
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	6-May-22	1-Oct-21	7
ME Bank	A	3,000,000.00	3,000,000.00	0.04%	0.50%	0.50%	6-May-22	31-Aug-21	8
IMB	A	5,000,000.00	5,000,000.00	0.02%	0.26%	0.26%	10-May-22	9-Sep-21	8
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.39%	0.39%	13-May-22	14-May-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.37%	0.37%	20-May-22	20-Aug-21	9
IMB	A	5,000,000.00	5,000,000.00	0.02%	0.27%	0.27%	24-May-22	20-Aug-21	9
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.31%	0.31%	27-May-22	30-Sep-21	8
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.25%	0.25%	27-May-22	10-Sep-21	8
Westpac Banking Corporation - Quarterly Payments	AA	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	31-May-22	31-May-21	12
Commonwealth Bank	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	1-Jun-22	1-Dec-21	6
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.26%	0.26%	3-Jun-22	2-Sep-21	9
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	7-Jun-22	17-Aug-21	10
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	10-Jun-22	11-Jun-21	12
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	17-Jun-22	21-Sep-21	9
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	17-Jun-22	26-Aug-21	10
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	21-Jun-22	27-Aug-21	10
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	24-Jun-22	23-Nov-21	7
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	24-Jun-22	25-Aug-21	10
Bendigo & Adelaide Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	28-Jun-22	1-Dec-21	7
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	1-Jul-22	22-Oct-21	8
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.42%	0.42%	5-Jul-22	5-Jul-21	12
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	8-Jul-22	31-Aug-21	10
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.39%	0.39%	15-Jul-22	30-Aug-21	10
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	19-Jul-22	19-Nov-21	8
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	22-Jul-22	24-Aug-21	11
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.53%	0.53%	26-Jul-22	26-Nov-21	8
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	29-Jul-22	24-Aug-21	11
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	2-Aug-22	27-Aug-21	11
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.55%	0.55%	5-Aug-22	29-Nov-21	8
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	12-Aug-22	13-Aug-21	12
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	19-Aug-22	16-Nov-21	9
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	23-Aug-22	18-Nov-21	9
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.03%	0.32%	0.32%	26-Aug-22	31-Aug-21	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	9-Sep-22	23-Nov-21	10
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	13-Sep-22	12-Nov-21	10
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.60%	0.60%	16-Sep-22	15-Nov-21	10
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	23-Sep-22	23-Nov-21	10
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	23-Sep-22	26-Oct-21	11
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	29-Sep-22	29-Nov-21	10
Westpac Banking Corporation (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	30-Sep-22	29-Sep-21	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.36%	0.36%	7-Oct-22	1-Oct-21	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.37%	0.37%	11-Oct-22	8-Oct-21	12
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.03%	0.41%	0.41%	14-Oct-22	15-Oct-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.39%	0.39%	14-Oct-22	14-Oct-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.58%	0.58%	18-Oct-22	18-Nov-21	11
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.53%	0.53%	28-Oct-22	1-Dec-21	11
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.70%	0.70%	1-Nov-22	3-Nov-21	12
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.60%	0.60%	4-Nov-22	9-Nov-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.64%	0.64%	18-Nov-22	17-Nov-21	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.05%	0.65%	0.65%	16-Dec-22	14-Dec-21	12
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.06%	0.72%	0.72%	16-Dec-22	17-Dec-21	12
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.05%	0.65%	0.65%	20-Dec-22	15-Dec-21	12
Macquarie Bank	A	1,000,000.00	1,000,00						

**Register of Investments and Cash for December 2021 period**

Institution	Rating	Face Value \$	Amortised Value \$	Monthly Net Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Investment Date	Term (months)
<b>Term Deposits (TD) 'Green Tailored Deposits'</b>									
Commonwealth Bank - Green Tailored Deposit	AA	10,000,000.00	10,000,000.00	0.04%	0.42%	0.42%	14-Jan-22	15-Jan-21	12
Commonwealth Bank - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.04%	0.43%	0.43%	8-Mar-22	9-Mar-21	12
Westpac Banking Corporation - Green Tailored Deposit (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.04%	0.47%	0.47%	21-Oct-22	18-Oct-21	12
Westpac Banking Corporation - Green Tailored Deposit (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	25-Oct-22	22-Oct-21	12
Westpac Banking Corporation - Green Tailored Deposit (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.05%	0.59%	0.59%	11-Nov-22	11-Nov-21	12
Westpac Banking Corporation - Green Tailored Deposit (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.05%	0.60%	0.60%	25-Nov-22	24-Nov-21	12
Westpac Banking Corporation - Green Tailored Deposit (0.50% Fixed 1 years & 3 months BBSW + 47 points for year 1)	AA	10,000,000.00	10,000,000.00	0.05%	0.54%	0.50%	21-Dec-22	21-Dec-20	24
Westpac Banking Corporation - Green Tailored Deposit (0.47% Fixed 1 years & 3 months BBSW + 45 points for year 2)	AA	10,000,000.00	10,000,000.00	0.04%	0.52%	0.47%	23-Dec-22	23-Dec-20	24
Westpac Banking Corporation - Green Tailored Deposit (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.07%	0.85%	0.85%	19-May-23	19-Nov-21	18
Westpac Banking Corporation - Green Tailored Deposit (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.06%	0.70%	0.70%	11-Oct-23	11-Oct-21	24
Westpac Banking Corporation - Green Tailored Deposit (3 Months BBSW + 93 points)	AA	10,000,000.00	10,000,000.00	0.08%	0.98%	0.95%	27-Nov-23	26-Nov-18	60
Westpac Banking Corporation - Green Tailored Deposit (2.97% Fixed 2 years & 3 months BBSW + 93 points 3 years)	AA	5,000,000.00	5,000,000.00	0.08%	0.98%	0.95%	29-Nov-23	30-Nov-18	60
Westpac Banking Corporation - Green Tailored Deposit (3.00% Fixed 1 years & 3 months BBSW + 105 points 4 years)	AA	10,000,000.00	10,000,000.00	0.09%	1.10%	1.08%	24-Jan-24	25-Jan-19	60
Westpac Banking Corporation - Green Tailored Deposit (2.85% Fixed 1 years & 3 months BBSW + 100 points 4 years)	AA	5,000,000.00	5,000,000.00	0.09%	1.06%	1.05%	28-Feb-24	19-Mar-19	60
Westpac Banking Corporation - Green Tailored Deposit (2.75% Fixed 1 year & 3 months BBSW + 100 points 4 years)	AA	5,000,000.00	5,000,000.00	0.09%	1.06%	1.03%	11-Mar-24	13-Mar-19	60
Westpac Banking Corporation - Green Tailored Deposit (2.65% Fixed 1 year & 3 months BBSW + 100 points 4 years)	AA	5,000,000.00	5,000,000.00	0.09%	1.06%	1.03%	22-Mar-24	25-Mar-19	60
<b>Total</b>		<b>561,000,000</b>	<b>561,000,000</b>	<b>0.04%</b>	<b>0.51%</b>	<b>0.51%</b>			
<b>Floating Rate Notes (FRN)</b>									
ANZ Bank (90 days BBSW + 88 points)	AA	4,000,000.00	4,000,000.00	0.08%	0.92%	0.91%	8-Feb-22	8-Feb-19	36
Credit Union Australia (90 days BBSW + 123 points)	A	1,500,000.00	1,500,000.00	0.11%	1.29%	1.26%	4-Mar-22	4-Mar-19	36
ME Bank (90 days BBSW + 98 points)	BBB	3,000,000.00	3,000,000.00	0.09%	1.02%	1.01%	18-Jul-22	18-Jul-19	36
Suncorp Bank (90 days BBSW + 97 points)	A	4,000,000.00	4,003,941.39	0.09%	1.02%	1.00%	16-Aug-22	31-Oct-18	45
Suncorp Bank (90 days BBSW + 97 points)	A	2,500,000.00	2,500,000.00	0.08%	1.01%	1.00%	16-Aug-22	16-Aug-17	60
Bank of Queensland (90 days BBSW + 105 points)	BBB	4,000,000.00	4,000,000.00	0.09%	1.10%	1.06%	3-Feb-23	5-Feb-18	60
Credit Union Australia (3 months BBSW + 90 bps)	BBB	2,800,000.00	2,800,000.00	0.08%	0.95%	0.93%	21-Feb-23	21-Feb-20	36
Westpac Bank (90 days BBSW + 83 points)	AA	5,000,000.00	5,000,000.00	0.07%	0.89%	0.86%	6-Mar-23	6-Mar-18	60
ANZ Bank (90 days BBSW + 90 points)	AA	5,000,000.00	5,000,000.00	0.08%	0.95%	0.93%	9-May-23	9-May-18	60
National Australia Bank (90 days BBSW + 90 points)	AA	5,000,000.00	5,000,000.00	0.08%	0.94%	0.94%	16-May-23	16-May-18	60
Commonwealth Bank (90 days BBSW + 93 points)	AA	3,500,000.00	3,500,000.00	0.08%	0.97%	0.95%	16-Aug-23	16-Aug-18	60
Suncorp Bank (90 days BBSW + 77 points)	A	4,500,000.00	4,500,000.00	0.07%	0.83%	0.80%	13-Sep-23	13-Sep-18	60
National Australia Bank (90 days BBSW + 93 points)	AA	3,500,000.00	3,500,000.00	0.08%	0.99%	0.96%	26-Sep-23	26-Sep-18	60
ANZ Bank (90 days BBSW + 103 points)	AA	5,000,000.00	5,000,000.00	0.09%	1.09%	1.06%	6-Dec-23	6-Dec-18	60
National Australia Bank (90 days BBSW + 104 points)	AA	4,000,000.00	4,000,000.00	0.09%	1.09%	1.07%	26-Feb-24	26-Feb-19	60
National Australia Bank (90 days BBSW + 92 points)	AA	3,200,000.00	3,200,000.00	0.08%	0.97%	0.95%	19-Jun-24	20-Jun-19	60
Westpac Banking Corporation (90 days BBSW + 88 points)	AA	4,000,000.00	4,000,000.00	0.08%	0.92%	0.95%	16-Aug-24	16-May-19	63
ANZ Bank (90 days BBSW + 77 points)	AA	4,000,000.00	4,000,000.00	0.07%	0.82%	0.81%	29-Aug-24	29-Aug-19	60
National Australia Bank (90 days BBSW + 77 points)	AA	5,000,000.00	5,000,000.00	0.07%	0.83%	0.81%	21-Jan-25	21-Jan-20	60
Macquarie Bank (3 months BBSW + 84 points)	A	5,000,000.00	5,000,000.00	0.07%	0.88%	0.87%	12-Feb-25	12-Feb-20	60
Suncorp Bank (90 days BBSW + 112 points)	AAA	1,500,000.00	1,500,000.00	0.10%	1.17%	1.15%	24-Apr-25	27-Apr-20	60
Macquarie Bank (3 months BBSW + 48 points)	A	5,000,000.00	5,000,000.00	0.05%	0.55%	0.51%	9-Dec-25	9-Dec-20	60
Suncorp Bank (90 days BBSW + 45 points)	A	2,100,000.00	2,100,000.00	0.04%	0.50%	0.47%	24-Feb-26	24-Feb-21	60
Newcastle Permanent Building Society (90 days BBSW + 63 points)	BBB	5,000,000.00	5,000,000.00	0.06%	0.69%	0.67%	4-Mar-26	4-Mar-21	60
Bendigo & Adelaide Bank (90 days BBSW + 65 points)	BBB	5,000,000.00	5,000,000.00	0.06%	0.71%	0.68%	18-Jun-26	18-Jun-21	60
Suncorp Bank (90 days BBSW + 48 points)	A	3,750,000.00	3,750,000.00	0.05%	0.55%	0.52%	15-Sep-26	15-Sep-21	60
Bank of Queensland (90 days BBSW + 80 points)	B	3,000,000.00	3,000,000.00	0.07%	0.85%	0.85%	27-Oct-26	27-Oct-21	60
<b>Total</b>		<b>113,850,000</b>	<b>113,853,941</b>	<b>0.07%</b>	<b>0.90%</b>	<b>0.88%</b>			
<b>Floating Rate Notes (FRN) 'Green/Climate Bonds/Sustainability Bond'</b>									
Bank Australia - Sustainability Bond (3months BBSW + 90 points)	BBB	5,000,000.00	5,000,000.00	0.08%	0.97%	0.93%	2-Dec-22	2-Dec-19	36
Commonwealth Bank Climate Bond (90 days BBSW + 92 points)	AA	5,000,000.00	5,000,000.00	0.08%	0.94%	0.95%	31-Mar-22	31-Mar-17	60
<b>Total</b>		<b>10,000,000</b>	<b>10,000,000</b>	<b>0.08%</b>	<b>0.95%</b>	<b>0.94%</b>			
<b>Total Investments</b>		<b>733,011,293</b>	<b>733,015,234</b>	<b>0.05%</b>	<b>0.55%</b>	<b>0.55%</b>			
<b>Benchmark: 30 Day Bank Bill Index</b>				<b>0.00%</b>	<b>0.01%</b>	<b>0.01%</b>			
<b>Benchmark: Bloomberg AusBond Bank Bill Index</b>				<b>0.00%</b>	<b>0.05%</b>	<b>0.05%</b>			
<b>City of Sydney's available bank balance as at 31 December 2021</b>		<b>1,785,722</b>	<b>1,785,722</b>						
<b>TOTAL INVESTMENTS &amp; CASH</b>		<b>734,797,014</b>	<b>734,800,955</b>						

**Summary of Net Investment Movements - December 2021**

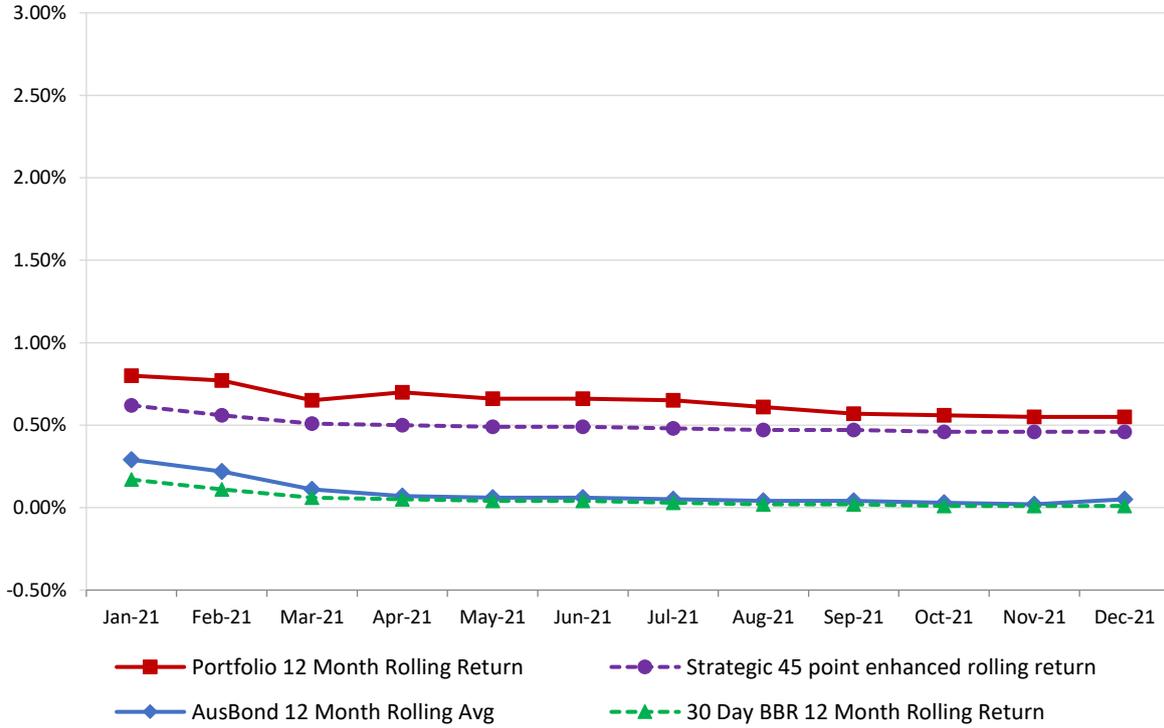
Financial Institution	Fund Rating	Net Invest/(Recall) Amount \$	Commentary
<b><u>General Fund</u></b>			
Westpac Banking Corporation	AA	41,000,000	December closing balance is lower compared to November, due to a property settlement on the last day of November. Additional funds also received due to higher volume of receipts in General fund account
<b><u>Call Account</u></b>			
Commonwealth Bank	AA	8,000,000	Additional income placed in Commonwealth Bank for operational use
<b><u>Term Deposits (TDs)</u></b>			
Bendigo & Adelaide Bank	A	5,000,000	Redeemed matured investments and additional income placed in higher yielding term deposits.  Redemption of matured term deposits, utilised for operational use or reinvested with higher yielding products.
IMB	A	5,000,000	
National Australia Bank	AA	5,000,000	
Westpac Banking Corporation	AA	5,000,000	
Commonwealth Bank	AA	(25,000,000)	
Macquarie Bank Ltd	A	(10,000,000)	

# **Attachment B**

**Investment Performance as at  
31 December 2021**

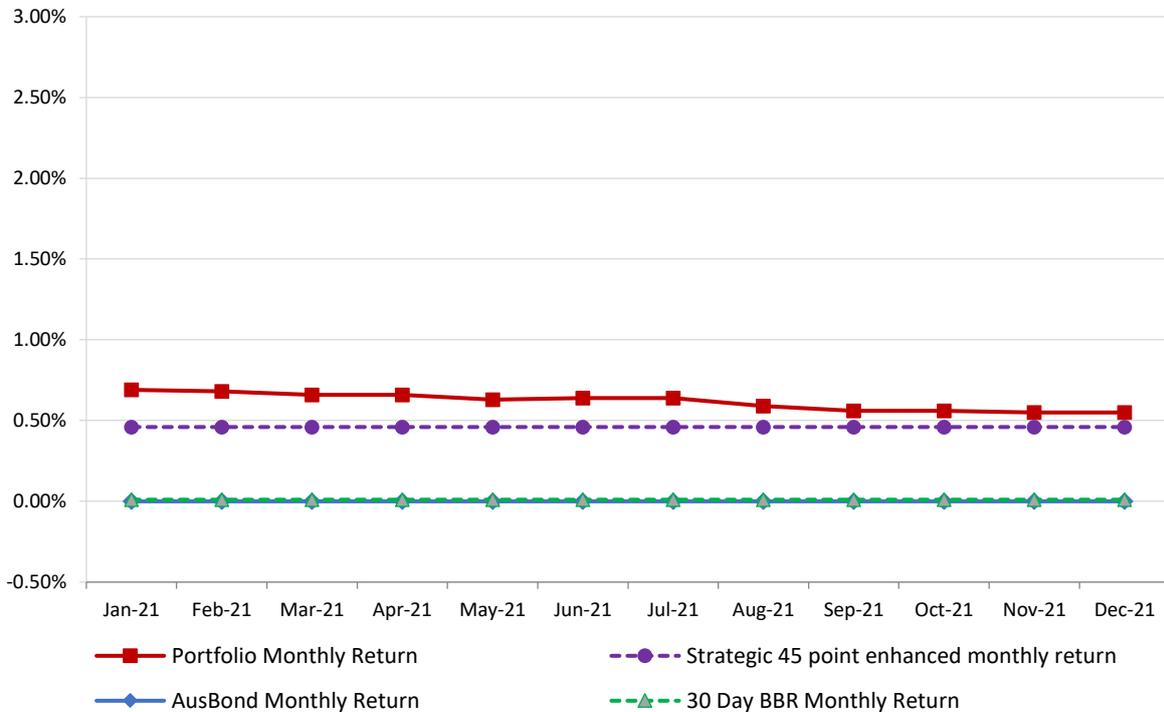
## 12 Month Rolling Averages

**Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark  
December 2021**

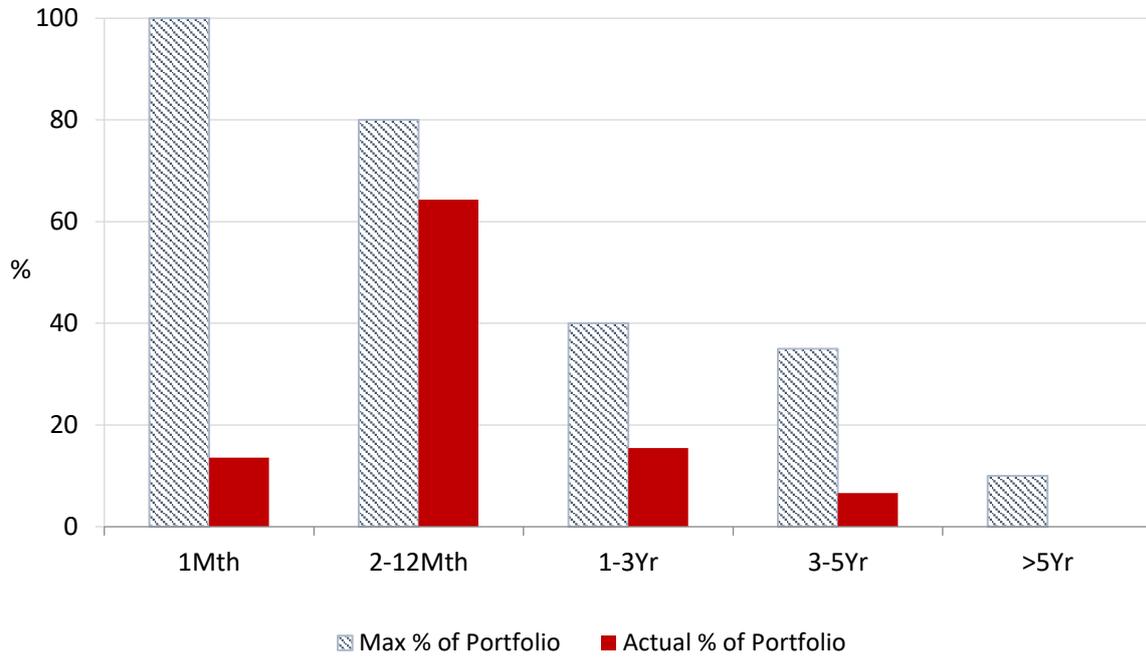


## Monthly Results

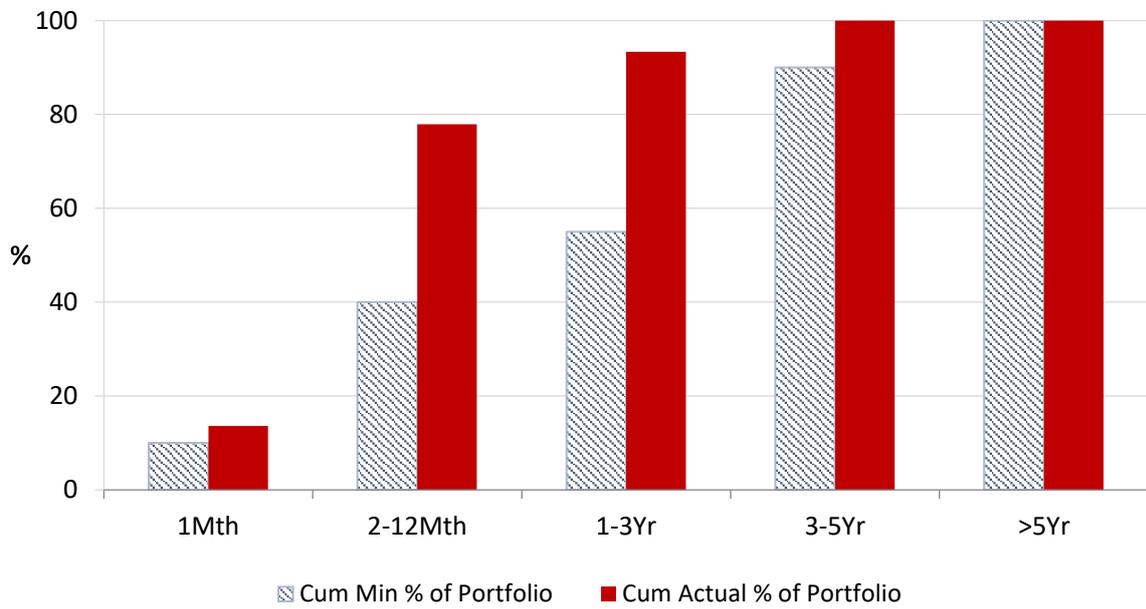
**Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark  
December 2021**



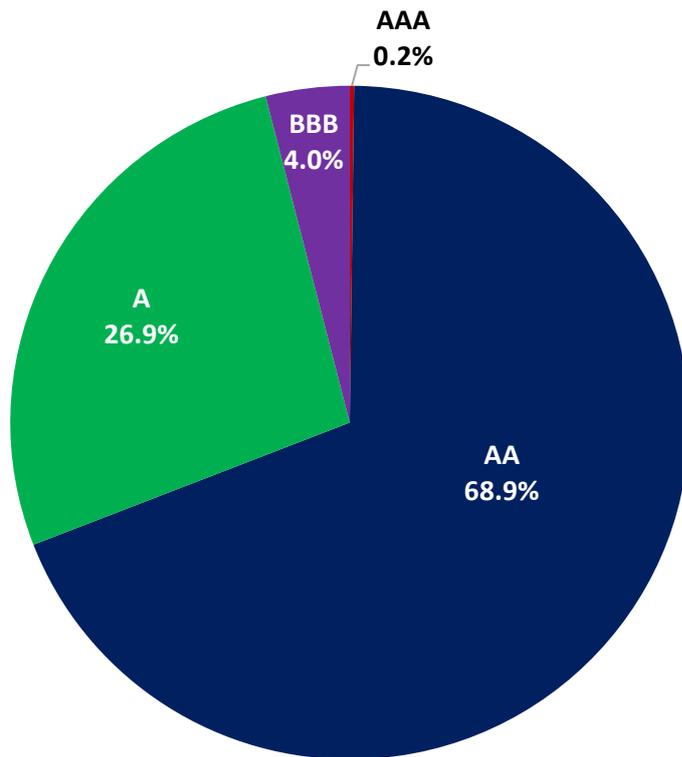
**Portfolio Liquidity - Maximum Allowances as at 31 December 2021**



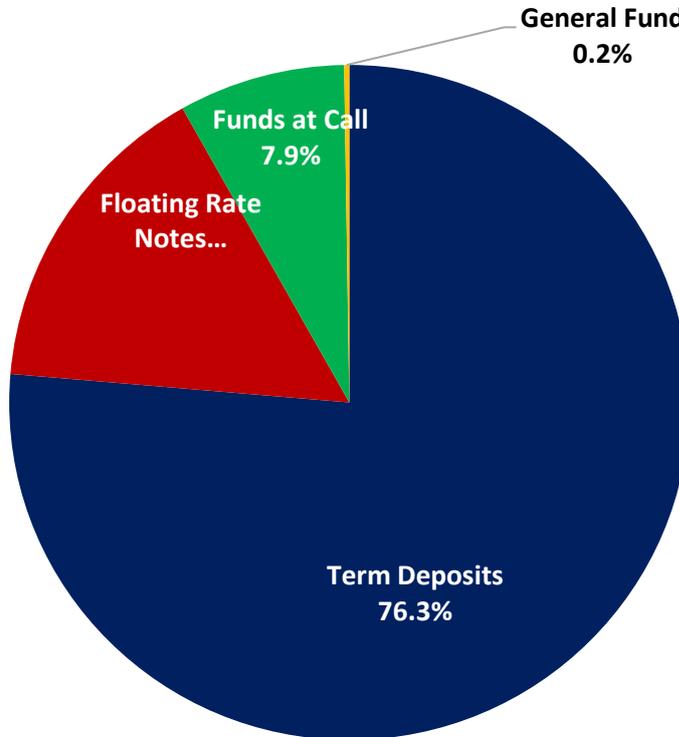
**Portfolio Liquidity - Minimum Allocations as at 31 December 2021**



### Risk Profile as at 31 December 2021



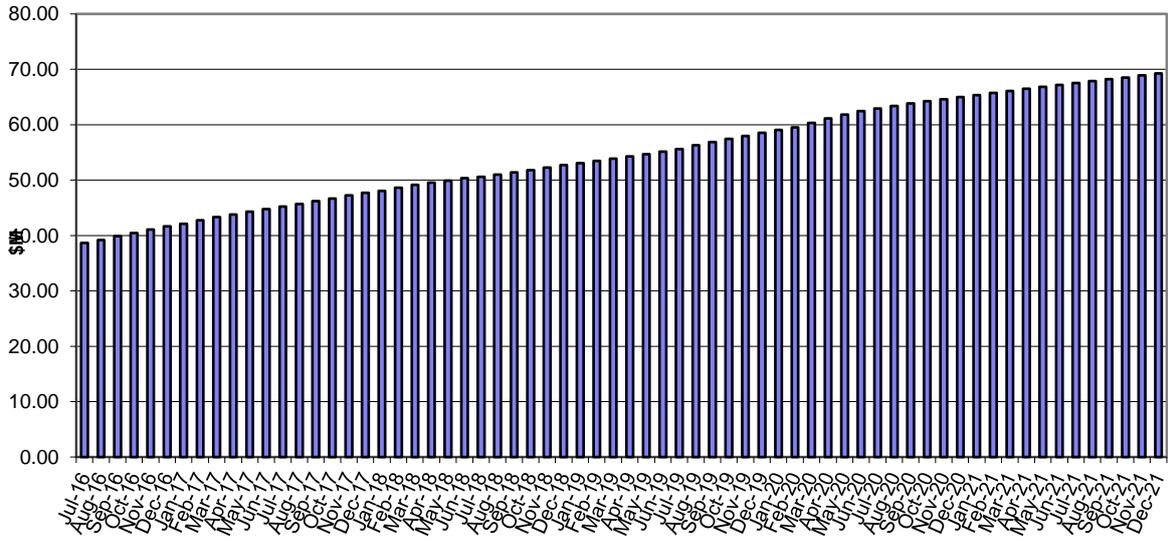
### Investment Product Profile as at 31 December 2021



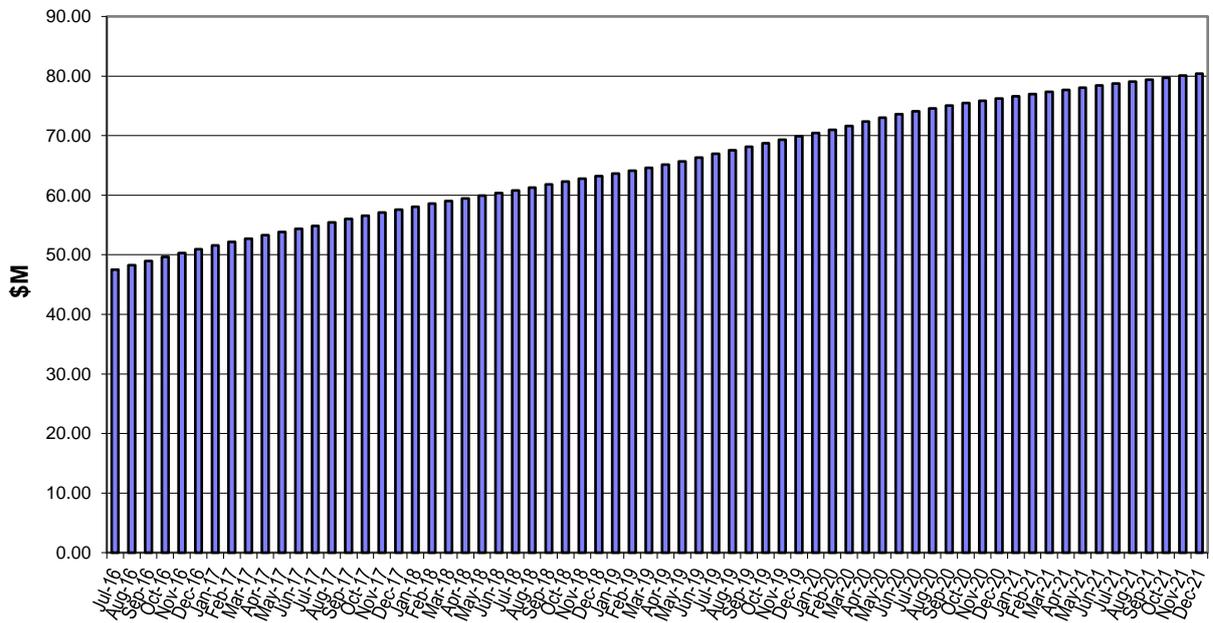
**INVESTMENT AND CASH DISTRIBUTION BY FINANCIAL INSTITUTION**  
as at 31 December 2021

Institution Category	Financial Institution	Amount \$M	Financial Inst. %	Institution Cat. %
Australian Big 4 Bank (and related institutions)	ANZ Bank	18.0	2.4	
	Commonwealth Bank	206.7	28.1	
	National Aust Bank	70.7	9.6	
	Westpac Banking Corporation	200.8	27.3	
<b>Big 4 Total</b>		<b>496.2</b>		<b>67.5</b>
Other Australian ADIs and Australian subsidiaries of foreign institutions	Bank Australia Limited	5.0	0.7	
	Bank of Queensland	57.0	7.8	
	Bendigo & Adelaide Bank	65.0	8.8	
	Great Southern Bank (formerly Credit Union Australia)	4.3	0.6	
	IMB	15.0	2.0	
	ME Bank	16.0	2.2	
	Suncorp Bank	18.4	2.5	
	Macquarie Bank Ltd	43.0	5.8	
	Northern Territory Treasury Corporation	10.0	1.4	
Newcastle Permanent Building Society	5.0	0.7		
<b>Other ADI Total</b>		<b>238.6</b>		<b>32.5</b>
<b>Grand Total</b>		<b>734.8</b>	<b>100.0</b>	<b>100.0</b>

### Cumulative Outperformance over AusBond Benchmark - 2016-2021



### Cumulative Outperformance over 30 Day BBR Benchmark - 2016-2021



## Item 5.

### Investments Held as at 31 January 2022

File No: X020701

#### Summary

This report provides details of the City's investment portfolio and performance to 31 January 2022.

The City's total Investment and Cash position was \$710.2M at 31 January 2022, with investments earning interest of \$0.3M for the month.

The Covid-19 pandemic has created significant uncertainty in financial markets. The Reserve Bank of Australia (RBA) responded to the crisis by reducing the official cash rate, firstly on 3 March 2020 to 0.50 per cent, again on 20 March 2020 to 0.25 per cent, and then again on 2 November 2020 down to an official cash rate of 0.10 per cent. The RBA also launched a Term Funding Facility, now in the order of \$200 billion, which further reduced the funding costs of Authorised Deposit-Taking Institutions (ADIs). The market responded to these actions by reducing the rates on offer, with the lower investment yields continuing to have a sustained adverse impact on the City's portfolio return.

The market has recently begun to forecast and factor in future rate increases, slightly improving medium and longer term investment returns, however to date, the RBA's official cash rate remains unchanged.

The City's cash inflows have also been negatively impacted as the economic consequences of the pandemic continue to reduce major revenue streams, in particular commercial property and parking related income. A greater focus on maintaining adequate liquidity with shorter investment maturities, and increasingly limited opportunities to invest funds at adequate rates of return, continues to affect the City's interest revenue.

The majority of the City's cash and investments portfolio is held as internally restricted (\$330.5M) or externally restricted (\$67.8M) cash reserves, to satisfy the City's legislative responsibilities and to set aside specific funds for Council's funding commitments to the major initiatives within the Sustainable Sydney 2030 Community Strategic Plan.

Key commitments within the City's Long Term Financial Plan include public domain works in the CBD, infrastructure and community facilities in the Green Square urban renewal area and open space acquisitions. The balance of investment funds represents working capital and funding required for the City's operating and capital expenditure commitments, including the Covid-19 relief grants program.

The City achieved an annualised monthly return of 0.57 per cent for January, which remains above the 30 Day Bank Bill Rate (BBR) of 0.01 per cent, the latest AusBond Bank Bill Index (published by Bloomberg) of 0.00 per cent, and the City's enhanced benchmark of 0.46 per cent (BBR + 0.45 per cent) as endorsed in October 2021 as part of the Investment Strategy.

The City's annual rolling return of 0.57 per cent also continues to exceed the 12 month average 30 Day Bank Bill Rate of 0.01 per cent, the latest AusBond Bank Bill Index of 0.05 per cent and the enhanced benchmark of 0.46 per cent (BBR + 0.45 per cent) as endorsed within the Investment Strategy in October 2021.

While the returns remain at historic lows, it is worth noting Council's investment opportunities are constrained by a combination of legislation, regulation and any directions and guidelines issued by the Minister or the Office of Local Government. These guidelines were developed, in large part, as a response to the Global Financial Crisis and its impact on the local government sectors investments. They limit the City's investment profile effectively to a cash managed fund, which generally produce lower returns but provide a high level of security. The City's returns from the investment portfolio remain in line with cash managed funds in the market.

The report includes graphs demonstrating that the City's liquidity profile continues to satisfy the requirements of the Policy, and charts that identify the distribution of the City's portfolio across credit ratings, investment product types and financial institutions. Separate charts depicting the City's cumulative portfolio returns over and above both the 90 day Bloomberg AusBond and 30 day Bank Bill Rate benchmarks have also been included to provide further insight into the City's total investment portfolio performance.

The structure of the City's investment portfolio continues to reflect the conservative approach outlined in the Investment Policy and Strategy, which remains appropriate for the current global and domestic economic conditions. The Policy and Strategy also maintain the City's commitment to sustainable investments where returns and risks are equivalent, under the environmentally and socially responsible investment criteria

## **Recommendation**

It is resolved that the Investment Report as at 31 January 2022 be received and noted.

## **Attachments**

**Attachment A.** Register of Investments and Cash as at 31 January 2022

**Attachment B.** Investment Performance as at 31 January 2022

## Background

1. In accordance with the principles of financial management, cash that is surplus to the City's immediate requirements is invested within acceptable risk parameters to optimise interest income while ensuring the security of these funds.
2. Surplus cash is only invested in authorised investments that comply with governing legislation and the City's Investment Policy and Strategy.
3. The benchmark performance goal of the City's Investment Policy and Strategy is to surpass the 30 Days Bank Bill Rate (BBR) by 45 basis points while performance also continues to be measured against the Bloomberg AusBond Bank Bill Index.
4. The City's total Investment and Cash position as at 31 January 2022 is \$710.2M, a decrease of approximately \$24.5M from the \$734.7M reported as at 31 December 2021. The monthly movement reflects capital works expenditure and other operational payments in excess of operating income for the period. A schedule detailing all of the City's investments as at the end of January is provided at Attachment A.
5. A substantial portion of the City's cash and investments portfolio is held as internally restricted (\$330.5M) or externally restricted (\$67.8M) cash reserves, to satisfy the City's legislative responsibilities and to set aside specific funds for Council's funding commitments to the major initiatives within the Sustainable Sydney 2030 Community Strategic Plan.
6. Key commitments within the City's Long Term Financial Plan include public domain works in the CBD, infrastructure and community facilities in the Green Square urban renewal area and the acquisition of open space. The balance of investment funds represents working capital and funding required for the City's operating and other capital expenditure commitments.
7. The City achieved an annualised monthly return of 0.57 per cent for January, which remains above the 30 Day Bank Bill Rate (BBR) of 0.01 per cent, the latest AusBond Bank Bill Index (published by Bloomberg) of 0.00 per cent and the enhanced benchmark of 0.46 per cent (BBR + 0.45 per cent) as endorsed in October 2021 as part of the Investment Strategy.
8. The City's annual rolling return of 0.57 per cent also continues to exceed the 12 month average 30 Day Bank Bill Rate of 0.01 per cent, the latest AusBond Bank Bill Index of 0.05 per cent and the enhanced benchmark of 0.46 per cent (BBR + 0.45 per cent) as endorsed in the Investment Strategy in October 2021.
9. While the returns remain at historic lows, relative to returns currently available in the equity and property markets, it is worth noting Council's investment opportunities are constrained by a combination of legislation, regulation and any directions and guidelines issued by the Minister or the Office of Local Government. These guidelines were developed, in large part, as a response to the Global Financial Crisis and its impact on the local government sectors investments. They limit the City's investment profile effectively to a cash managed fund, which produces lower returns but a high level of security. The City's returns from the investment portfolio are in line with cash managed funds in the market.

10. In response to the global Covid-19 pandemic, the Reserve Bank of Australia (RBA) adjusted the official cash rate on 3 March 2020, again on 20 March 2020, and most recently in November 2020 down to 0.10 per cent. In addition, the RBA launched Term Funding Facility. This facility, now in the order of \$200 billion, has reduced the funding costs of Authorised Deposit-Taking Institutions (ADIs), in turn helping to reduce the interest rates for borrowers. The facility closed to new drawdowns on 30 June 2021, at which time \$188 billion of funding was outstanding. As the facility provides low-cost fixed-rate funding for 3 years it will continue to support low borrowing costs until mid-2024.
11. The resultant lower investment yields are expected to have a continuing adverse impact on the City's portfolio return and low interest rates are anticipated to continue for the immediate term given the current challenging economic conditions. While the market has begun to factor in future rate increases, slightly improving medium and longer term investment returns, to date the RBA's official cash rate remains unchanged.
12. The City's cash inflows, whilst reasonably resilient, have been negatively impacted for a prolonged period, as the economic consequences of the pandemic have continued to affect major revenue streams, in particular commercial property and parking related income. A greater focus on maintaining adequate liquidity with shorter investment maturities, and increasingly limited opportunities to invest funds at adequate rates of return, will also continue to affect the City's interest revenue.
13. The report includes graphs depicting that the City's cumulative portfolio returns over and above both the 90 day Bloomberg AusBond, and 30 day Bank Bill Rate benchmarks have also been included to provide further insight into the City's total investment portfolio performance.
14. The structure of the City's investment portfolio continues to reflect the conservative approach outlined in the Investment Policy and Strategy, which remains appropriate for the current global and domestic economic conditions.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030

15. The City's investments accord with all legislative and policy requirements, as detailed below, and continue to achieve returns above minimum benchmark rates.

### Financial Impact

16. The City's investments earned interest of \$0.3M for the month of January 2022, marginally above budgeted earnings of \$0.2M, as cash balances for the year to date have remained higher than anticipated when the budget was prepared.
17. The budget for 2021/22 represents a substantial reduction on prior years, in anticipation of earning lower returns on the portfolio due to the reduced rates on offer in the market. In early 2022, there have been signs of small improvements in medium to long term investment rates of return. However, short term investment returns are expected to remain suppressed in the immediate future.

**Economic**

18. The extent of the local and global economic impact resulting from Covid-19 has created significant uncertainty in financial markets. Many Governments and central banks, including the Australian Government and the Reserve Bank of Australia (RBA), are implementing large scale responses to the economic crisis, including coordinated stimulus measures involving significant increases in government spending and borrowing combined with large scale buying of bonds by central banks.
19. The RBA reduced the official cash rate down to 0.10 per cent on 2 November 2020, and has indicated that this cash rate is unlikely to be lifted until it is confident the economy has recovered sufficiently and there is a sustained period of inflation inside its target 2 per cent to 3 per cent range.
20. Historically, returns on cash (i.e. "at call" accounts) and short term investments have been quite strong, however, the low official cash rate and market variability in monthly returns may mean the short to medium term investment returns could be flat or potentially slightly negative. While the capacity for City staff to invest in a manner that meets liquidity requirements, whilst achieving the "enhanced" benchmark returns (as detailed in the Investment Policy) has been limited for some time, the best available returns continue to be actively sought when surplus funds are invested.
21. On occasion, financial institutions will not offer term deposit rates as their own liquidity requirements are already satisfied. Since the beginning of the Covid-19 pandemic, this has occurred with increased frequency, further limiting the available range of institutions able to offer adequate returns at an acceptable credit risk under the City's Investment Policy.

**Relevant Legislation**

22. Council is authorised to invest its surplus cash under Section 625 of the Local Government Act 1993.
23. The Local Government (General) Regulation 2005 (Clause 212) requires the City to provide a written monthly report of all monies invested, under Section 625 of the Act.
24. The Investment Policy and Strategy was last revised and endorsed by Council in October 2021, maintaining Council's commitment to give preference to sustainable investments where returns and risks are equivalent to other investments.
25. The City's investments accord with the Minister's Investment Order, the Office of Local Government's Investment Policy Guidelines, and the City's own Investment Policy and Strategy as adopted by Council on 18 October 2021.

**Critical Dates / Time Frames**

26. A monthly investment report must be submitted for Council's information and review within the following month.

## Public Consultation

27. Consultation is regularly undertaken with a number of financial institutions and investment advisers to consider options and ensure the City continues to maximise its investment return within appropriate risk parameters.
28. City staff meet regularly with representatives of each of the 'Big 4' banks and NSW TCorp. At these meetings City staff actively advocate for Socially Responsible Investment (SRI) opportunities.
29. The banks acknowledge the appetite in the market for these products and they continue to investigate the development of suitable products, however it has been challenging to match the level of funds to available Socially Responsible Investment opportunities that meet the credit risk and maturity profile requirements of the City.
30. As noted in previous Investment Reports, Westpac were able to bring a Green Tailored Deposit product to market, which delivers a comparable return while achieving the City's preferred outcomes. The City currently holds \$100M in sixteen tranches with this Green Tailored deposit.
31. The City has also invested \$5M with the Commonwealth Bank of Australia (CBA) in Climate Bond-certified Green Term Deposits since it was introduced, whilst also meeting the City's risk / return profile.
32. The City also invested \$5M in a Floating Rate Note (FRN) / Sustainability Bond issued by Bank Australia, based on an investment framework that meets the main guidelines for issuance of Green, Social and Sustainability Bonds in the global capital markets. This Socially Responsible investment opportunity met both the credit risk and maturity profile requirement of the City.

## BILL CARTER

Chief Financial Officer

# **Attachment A**

**Register of Investments and  
Cash as at 31 January 2022**

**Register of Investments and Cash for January 2022 period**

Institution	Rating	Face Value \$	Amortised Value \$	Monthly Net Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Investment Date	Term (months)
<b>Call Account</b>									
Westpac Bank	AA	-	-	0.00%	0.00%	0.00%	1-Feb-22	22-May-12	0
Commonwealth Bank	AA	25,214,135	25,214,135	0.02%	0.20%	0.20%	1-Feb-22	11-Jun-20	0
Macquarie Bank Ltd	AA	9,958,760	9,958,760	0.03%	0.40%	0.40%	1-Feb-22	21-Sep-20	0
<b>Total</b>		<b>35,172,896</b>	<b>35,172,896</b>	<b>0.02%</b>	<b>0.26%</b>	<b>0.26%</b>			
<b>Term Deposits (TD)</b>									
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.44%	0.44%	31-Jan-22	1-Mar-21	11
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.44%	0.44%	4-Feb-22	1-Mar-21	11
ME Bank	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	7-Feb-22	9-Feb-21	12
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	8-Feb-22	12-May-21	9
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	11-Feb-22	14-May-21	9
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	15-Feb-22	10-Aug-21	6
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	16-Feb-22	16-Feb-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	17-Feb-22	17-Feb-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	18-Feb-22	18-Feb-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	22-Feb-22	19-Feb-21	12
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	25-Feb-22	31-May-21	9
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	28-Feb-22	2-Jul-21	8
Commonwealth Bank	AA	10,000,000.00	10,000,000.00	0.04%	0.45%	0.45%	1-Mar-22	1-Mar-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.44%	0.44%	2-Mar-22	2-Mar-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.32%	0.32%	11-Mar-22	10-Sep-21	6
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	15-Mar-22	7-Sep-21	6
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	18-Mar-22	13-Aug-21	7
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	29-Mar-22	21-Sep-21	6
IMB	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	1-Apr-22	1-Dec-21	4
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.41%	0.41%	5-Apr-22	6-Apr-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.41%	0.41%	8-Apr-22	7-Apr-21	12
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	12-Apr-22	9-Jul-21	9
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.43%	0.43%	14-Apr-22	16-Jul-21	9
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	22-Apr-22	9-Aug-21	8
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	26-Apr-22	14-Sep-21	7
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	29-Apr-22	30-Sep-21	7
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.36%	0.36%	29-Apr-22	2-Sep-21	8
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	6-May-22	1-Oct-21	7
ME Bank	A	3,000,000.00	3,000,000.00	0.04%	0.50%	0.50%	6-May-22	31-Aug-21	8
IMB	A	5,000,000.00	5,000,000.00	0.02%	0.26%	0.26%	10-May-22	9-Sep-21	8
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.39%	0.39%	13-May-22	14-May-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.37%	0.37%	20-May-22	20-Aug-21	9
IMB	A	5,000,000.00	5,000,000.00	0.02%	0.27%	0.27%	24-May-22	20-Aug-21	9
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.31%	0.31%	27-May-22	30-Sep-21	8
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.25%	0.25%	27-May-22	10-Sep-21	8
Westpac Banking Corporation -Quarterly Payments	AA	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	31-May-22	31-May-21	12
Commonwealth Bank	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	1-Jun-22	1-Dec-21	6
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.26%	0.26%	3-Jun-22	2-Sep-21	9
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	7-Jun-22	17-Aug-21	10
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	10-Jun-22	11-Jun-21	12
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	17-Jun-22	21-Sep-21	9
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	17-Jun-22	26-Aug-21	10
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	21-Jun-22	27-Aug-21	10
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	24-Jun-22	23-Nov-21	7
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	24-Jun-22	25-Aug-21	10
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	28-Jun-22	1-Dec-21	7
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	1-Jul-22	22-Oct-21	8
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.42%	0.42%	5-Jul-22	5-Jul-21	12
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.02%	0.28%	0.28%	8-Jul-22	31-Aug-21	10
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.39%	0.39%	15-Jul-22	30-Aug-21	10
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	19-Jul-22	19-Nov-21	8
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	22-Jul-22	24-Aug-21	11
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.53%	0.53%	26-Jul-22	26-Nov-21	8
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	29-Jul-22	24-Aug-21	11
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.03%	0.30%	0.30%	2-Aug-22	27-Aug-21	11
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.55%	0.55%	5-Aug-22	29-Nov-21	8
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	12-Aug-22	13-Aug-21	12
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	19-Aug-22	16-Nov-21	9
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	23-Aug-22	18-Nov-21	9
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.03%	0.32%	0.32%	26-Aug-22	31-Aug-21	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	9-Sep-22	23-Nov-21	10
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	13-Sep-22	12-Nov-21	10
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.60%	0.60%	16-Sep-22	15-Nov-21	10
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	23-Sep-22	23-Nov-21	10
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	23-Sep-22	26-Oct-21	11
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	29-Sep-22	29-Nov-21	10
Westpac Banking Corporation (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.03%	0.35%	0.35%	30-Sep-22	29-Sep-21	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.36%	0.36%	7-Oct-22	1-Oct-21	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.37%	0.37%	11-Oct-22	8-Oct-21	12
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.03%	0.41%	0.41%	14-Oct-22	15-Oct-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.39%	0.39%	14-Oct-22	14-Oct-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.58%	0.58%	18-Oct-22	18-Nov-21	11
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.53%	0.53%	28-Oct-22	1-Dec-21	11
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.70%	0.70%	1-Nov-22	3-Nov-21	12
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.60%	0.60%	4-Nov-22	9-Nov-21	12
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.06%	0.70%	0.70%	8-Nov-22	14-Jan-22	10
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.64%	0.64%	18-Nov-22	17-Nov-21	12
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.05%	0.60%	0.60%	25-Nov-22	13-Jan-22	10
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.05%	0.65%	0.65%	16-Dec-22	14-Dec-21	12
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.06%	0.72%	0.72%	16-Dec-22	17-Dec-21	12
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.05%	0.65%	0.65%	20-Dec-22	15-Dec-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.05%	0.55%	0.55%	29-Dec-22	29-Dec-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.05%	0.55%	0.55%	29-Dec-22	29-Dec-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.05%	0.55%	0.55%	29-Dec-22	29-Dec-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	30-Dec-22	30-Dec-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.05%	0.55%	0.55%	3-Jan-23	3-Jan-22	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.05%	0.55%	0.55%	4-Jan-23	4-Jan-22	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.05%	0.55%	0.55%	5-Jan-23	5-Jan-22	12
Westpac Banking Corporation	AA	5,000,000.00	5,000,000.00	0.04%	0.52%	0.52%	25-Aug-23	23-Aug-21	24
National Aust Bank (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.05%	0.65%	0.65%	22-Sep-23	24-Sep-21	24
Northern Territory Treasury Corporation- Fixed Rate Bond- Annual	AA	5,000,000.00	5,000,000.00	0.08%	0.90%	0.90%	15-Jun-25	9-Feb-21	52
Northern Territory Treasury Corporation- Fixed Rate Bond- Annual	AA	5,000,000.00	5,000,000.00	0.08%	0.90%	0.90%	15-Jun-25	5-Feb-21	52
Westpac Banking Corporation (3% Fixed 2 years & RBA cash rate + 126 points 3 years)	AA	5,000,000.00	5,000,000.00	0.11%	1.31%	1.33%	31-Aug-22	31-Aug-17	60
Westpac Banking Corporation (2.80% Fixed 1 year & 3 Months BBSW + 85 points)	AA	5,000,000.00	5,000,000.00	0.08%	0.91%	0.89%	28-Sep-22	28-Sep-18	48
Westpac Banking Corporation (2.98% Fixed 2 years & 3 months BBSW + 82 points 2 years)	AA	5,000,000.00	5,000,000.00	0.07%	0.87%	0.86%	21-Nov-22	21-Nov-18	48
Westpac Banking Corporation (0.71% Fixed 2 years & 90 days BBSW + 50 points)	AA	5,000,000.00							

**Register of Investments and Cash for January 2022 period**

Institution	Rating	Face Value \$	Amortised Value \$	Monthly Net Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Investment Date	Term (months)
<b>Term Deposits (TD) 'Green Tailored Deposits'</b>									
Commonwealth Bank - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.04%	0.43%	0.43%	8-Mar-22	9-Mar-21	12
Westpac Banking Corporation - Green Tailored Deposit (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.04%	0.47%	0.47%	21-Oct-22	18-Oct-21	12
Westpac Banking Corporation - Green Tailored Deposit (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	25-Oct-22	22-Oct-21	12
Westpac Banking Corporation - Green Tailored Deposit (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.05%	0.59%	0.59%	11-Nov-22	11-Nov-21	12
Westpac Banking Corporation - Green Tailored Deposit (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.05%	0.60%	0.60%	25-Nov-22	24-Nov-21	12
Westpac Banking Corporation - Green Tailored Deposit (0.50% Fixed 1 years & 3 months BBSW + 47 points for year 1)	AA	10,000,000.00	10,000,000.00	0.05%	0.54%	0.51%	21-Dec-22	21-Dec-20	24
Westpac Banking Corporation - Green Tailored Deposit (0.47% Fixed 1 years & 3 months BBSW + 45 points for year 2)	AA	10,000,000.00	10,000,000.00	0.04%	0.52%	0.48%	23-Dec-22	23-Dec-20	24
Westpac Banking Corporation - Green Tailored Deposit (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.06%	0.71%	0.71%	13-Jan-23	12-Jan-22	12
Westpac Banking Corporation - Green Tailored Deposit (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.07%	0.88%	0.88%	27-Jan-23	28-Jan-22	12
Westpac Banking Corporation - Green Tailored Deposit (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.07%	0.85%	0.85%	19-May-23	19-Nov-21	18
Westpac Banking Corporation - Green Tailored Deposit (Quarterly Interest)	AA	5,000,000.00	5,000,000.00	0.06%	0.70%	0.70%	11-Oct-23	11-Oct-21	24
Westpac Banking Corporation - Green Tailored Deposit (3 Months BBSW + 93 points)	AA	10,000,000.00	10,000,000.00	0.08%	0.98%	0.95%	27-Nov-23	26-Nov-18	60
Westpac Banking Corporation - Green Tailored Deposit (2.97% Fixed 2 years & 3 months BBSW + 93 points 3 years)	AA	5,000,000.00	5,000,000.00	0.08%	0.98%	0.95%	29-Nov-23	30-Nov-18	60
Westpac Banking Corporation - Green Tailored Deposit (3.00% Fixed 1 years & 3 months BBSW + 105 points 4 years)	AA	10,000,000.00	10,000,000.00	0.09%	1.13%	1.09%	24-Jan-24	25-Jan-19	60
Westpac Banking Corporation - Green Tailored Deposit (2.85% Fixed 1 years & 3 months BBSW + 100 points 4 years)	AA	5,000,000.00	5,000,000.00	0.09%	1.06%	1.04%	28-Feb-24	1-Mar-19	60
Westpac Banking Corporation - Green Tailored Deposit (2.75% Fixed 1 year & 3 months BBSW + 100 points 4 years)	AA	5,000,000.00	5,000,000.00	0.09%	1.06%	1.03%	11-Mar-24	13-Mar-19	60
Westpac Banking Corporation - Green Tailored Deposit (2.65% Fixed 1 year & 3 months BBSW + 100 points 4 years)	AA	5,000,000.00	5,000,000.00	0.09%	1.06%	1.04%	22-Mar-24	25-Mar-19	60
<b>Total</b>		<b>544,000,000</b>	<b>544,000,000</b>	<b>0.04%</b>	<b>0.52%</b>	<b>0.52%</b>			
<b>Floating Rate Notes (FRN)</b>									
ANZ Bank (90 days BBSW + 88 points)	AA	4,000,000.00	4,000,000.00	0.08%	0.92%	0.91%	8-Feb-22	8-Feb-19	36
Credit Union Australia (90 days BBSW + 123 points)	A	1,500,000.00	1,500,000.00	0.11%	1.29%	1.27%	4-Mar-22	4-Mar-19	36
ME Bank (90 days BBSW + 98 points)	BBB	3,000,000.00	3,000,000.00	0.09%	1.06%	1.02%	18-Jul-22	18-Jul-19	36
Suncorp Bank (90 days BBSW + 97 points)	A	4,000,000.00	4,013,240.00	0.09%	1.02%	1.01%	16-Aug-22	31-Oct-18	45
Suncorp Bank (90 days BBSW + 97 points)	A	2,500,000.00	2,500,000.00	0.08%	1.01%	1.00%	16-Aug-22	16-Aug-17	60
Bank of Queensland (90 days BBSW + 105 points)	BBB	4,000,000.00	4,000,000.00	0.09%	1.10%	1.06%	3-Feb-23	5-Feb-18	60
Credit Union Australia (3 months BBSW + 90 bps)	BBB	2,800,000.00	2,800,000.00	0.08%	0.95%	0.93%	21-Feb-23	21-Feb-20	36
Westpac Bank (90 days BBSW + 83 points)	AA	5,000,000.00	5,000,000.00	0.07%	0.89%	0.86%	6-Mar-23	6-Mar-18	60
ANZ Bank (90 days BBSW + 90 points)	AA	5,000,000.00	5,000,000.00	0.08%	0.95%	0.93%	9-May-23	9-May-18	60
National Australia Bank (90 days BBSW + 90 points)	AA	5,000,000.00	5,000,000.00	0.08%	0.94%	0.94%	16-May-23	16-May-18	60
Commonwealth Bank (90 days BBSW + 93 points)	AA	3,500,000.00	3,500,000.00	0.08%	0.97%	0.95%	16-Aug-23	16-Aug-18	60
Suncorp Bank (90 days BBSW + 77 points)	A	4,500,000.00	4,500,000.00	0.07%	0.83%	0.80%	13-Sep-23	13-Sep-18	60
National Australia Bank (90 days BBSW + 93 points)	AA	3,500,000.00	3,500,000.00	0.08%	0.99%	0.97%	26-Sep-23	26-Sep-18	60
ANZ Bank (90 days BBSW + 103 points)	AA	5,000,000.00	5,000,000.00	0.09%	1.09%	1.06%	6-Dec-23	6-Dec-18	60
National Australia Bank (90 days BBSW + 104 points)	AA	4,000,000.00	4,000,000.00	0.09%	1.09%	1.07%	26-Feb-24	26-Feb-19	60
National Australia Bank (90 days BBSW + 92 points)	AA	3,200,000.00	3,200,000.00	0.08%	0.97%	0.95%	19-Jun-24	20-Jun-19	60
Westpac Banking Corporation (90 days BBSW + 88 points)	AA	4,000,000.00	4,000,000.00	0.08%	0.92%	0.95%	16-Aug-24	16-May-19	63
ANZ Bank (90 days BBSW + 77 points)	AA	4,000,000.00	4,000,000.00	0.07%	0.82%	0.81%	29-Aug-24	29-Aug-19	60
National Australia Bank (90 days BBSW + 77 points)	AA	5,000,000.00	5,000,000.00	0.07%	0.84%	0.81%	21-Jan-25	21-Jan-20	60
Macquarie Bank (3 months BBSW + 84 points)	A	5,000,000.00	5,000,000.00	0.07%	0.88%	0.87%	12-Feb-25	12-Feb-20	60
Suncorp Bank (90 days BBSW + 112 points)	AAA	1,500,000.00	1,500,000.00	0.10%	1.19%	1.15%	24-Apr-25	27-Apr-20	60
Macquarie Bank (3 months BBSW + 48 points)	A	5,000,000.00	5,000,000.00	0.05%	0.55%	0.52%	9-Dec-25	9-Dec-20	60
Suncorp Bank (90 days BBSW + 45 points)	A	2,100,000.00	2,100,000.00	0.04%	0.50%	0.48%	24-Feb-26	24-Feb-21	60
Newcastle Permanent Building Society (90 days BBSW + 63 points)	BBB	5,000,000.00	5,000,000.00	0.06%	0.69%	0.67%	4-Mar-26	4-Mar-21	60
Bendigo & Adelaide Bank (90 days BBSW + 65 points)	BBB	5,000,000.00	5,000,000.00	0.06%	0.71%	0.68%	18-Jun-26	18-Jun-21	60
Suncorp Bank (90 days BBSW + 48 points)	A	3,750,000.00	3,750,000.00	0.05%	0.55%	0.53%	15-Sep-26	15-Sep-21	60
Bank of Queensland (90 days BBSW + 80 points)	BBB	3,000,000.00	3,000,000.00	0.07%	0.88%	0.86%	27-Oct-26	27-Oct-21	60
Commonwealth Bank (3 months BBSW + 70 points)	AA	3,250,000.00	3,250,000.00	0.06%	0.77%	0.77%	14-Jan-27	14-Jan-22	60
Westpac Banking Corporation (90 days BBSW + 70 points)	AA	3,900,000.00	3,900,000.00	0.07%	0.78%	0.78%	25-Jan-27	18-Jan-22	60
Suncorp Bank (90 days BBSW + 78 points)	AA	4,500,000.00	4,500,000.00	0.07%	0.84%	0.84%	25-Jan-27	17-Jan-22	60
<b>Floating Rate Notes (FRN) 'Green/Climate Bonds/Sustainability Bond'</b>									
Bank Australia - Sustainability Bond (3months BBSW + 90 points)	BBB	5,000,000.00	5,000,000.00	0.08%	0.97%	0.93%	2-Dec-22	2-Dec-19	36
Commonwealth Bank Climate Bond (90 days BBSW + 92 points)	AA	5,000,000.00	5,000,000.00	0.08%	0.99%	0.96%	31-Mar-22	31-Mar-17	60
<b>Total</b>		<b>125,500,000</b>	<b>125,513,240</b>	<b>0.07%</b>	<b>0.89%</b>	<b>0.87%</b>			
<b>Total Investments</b>		<b>704,672,896</b>	<b>704,686,136</b>	<b>0.05%</b>	<b>0.57%</b>	<b>0.57%</b>			
<b>Benchmark: 30 Day Bank Bill Index</b>				<b>0.00%</b>	<b>0.01%</b>	<b>0.01%</b>			
<b>Benchmark: Bloomberg AusBond Bank Bill Index</b>				<b>0.00%</b>	<b>0.00%</b>	<b>0.05%</b>			
<b>City of Sydney's available bank balance as at 31 January 2022</b>		<b>5,550,969</b>	<b>5,550,969</b>						
<b>TOTAL INVESTMENTS &amp; CASH</b>		<b>710,223,865</b>	<b>710,237,105</b>						

**Summary of Net Investment Movements - January 2022**

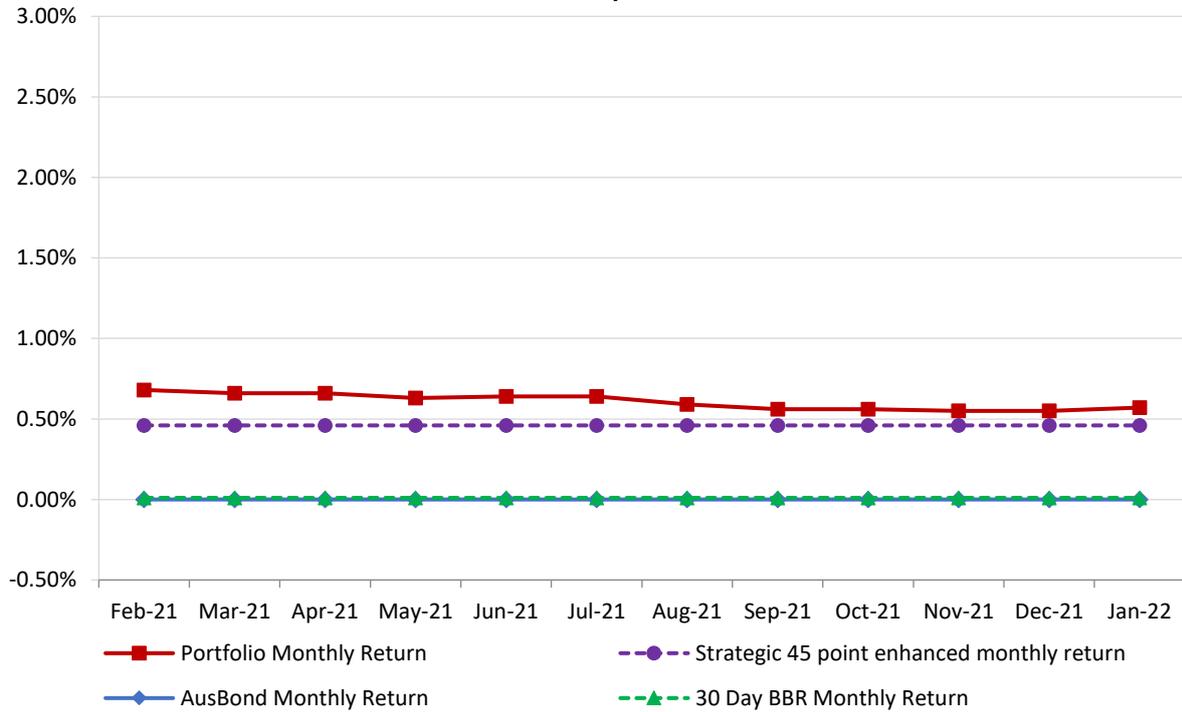
Financial Institution	Fund Rating	Net Invest/(Recall) Amount \$	Commentary
<b>General Fund</b>			
Westpac Banking Corporation	AA	3,700,000	Additional funds placed in general fund for scheduled payments.
<b>Call Account</b>			
Commonwealth Bank	AA	(23,000,000)	Funds from call account placed in higher yielding products, and also utilised for operational purposes.
<b>Term Deposits (TDs)</b>			
Bendigo & Adelaide Bank	A	5,000,000	Redeemed matured investments and additional income placed in higher yielding term deposits.
Westpac Banking Corporation	AA	10,000,000	
Commonwealth Bank	AA	(15,000,000)	
Macquarie Bank Ltd	A	(12,000,000)	Redemption of matured term deposits, utilised for operational use or reinvested with higher yielding products.
National Aust Bank	AA	(5,000,000)	
<b>Floating Rate Notes (FRN's)</b>			
Commonwealth Bank	AA	3,250,000	Redeemed matured investments and additional income placed in higher yielding floating rate notes. Suncorp FRN was rated AA by S&P. Hence the rating reflected is as per the product and not as per institution.
Suncorp Bank	AA	4,500,000	
Westpac Banking Corporation	AA	3,900,000	

# **Attachment B**

**Investment Performance  
as at 31 January 2022**

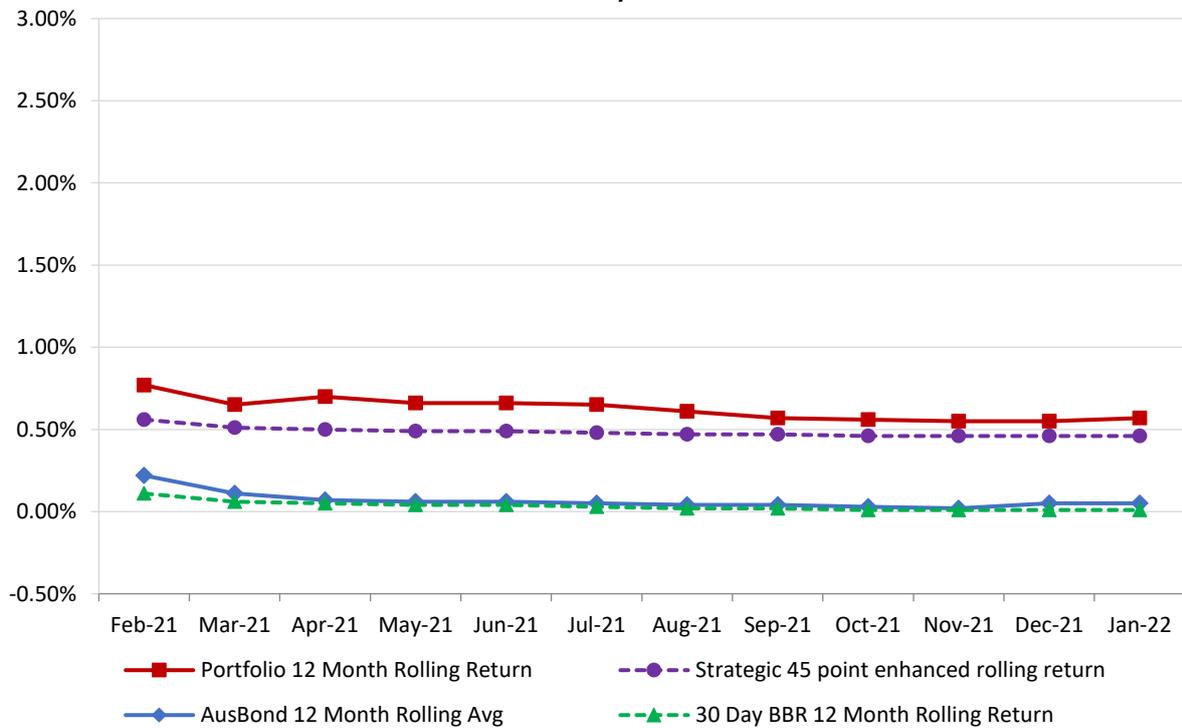
## Monthly Results

**Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark  
January 2022**

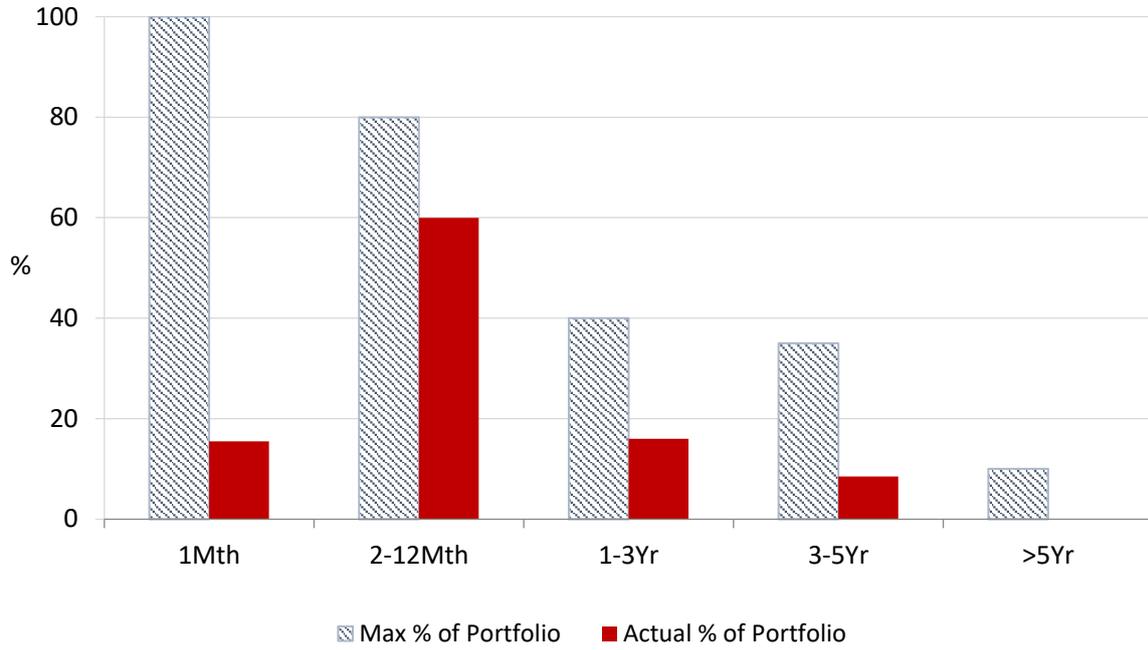


## 12 Month Rolling Averages

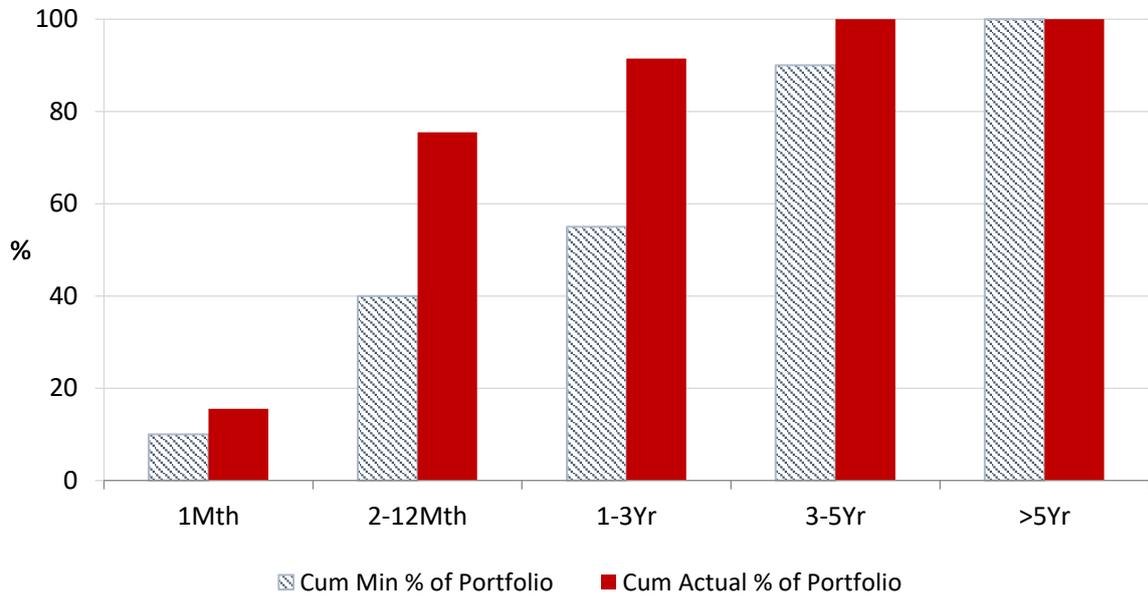
**Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark  
January 2022**



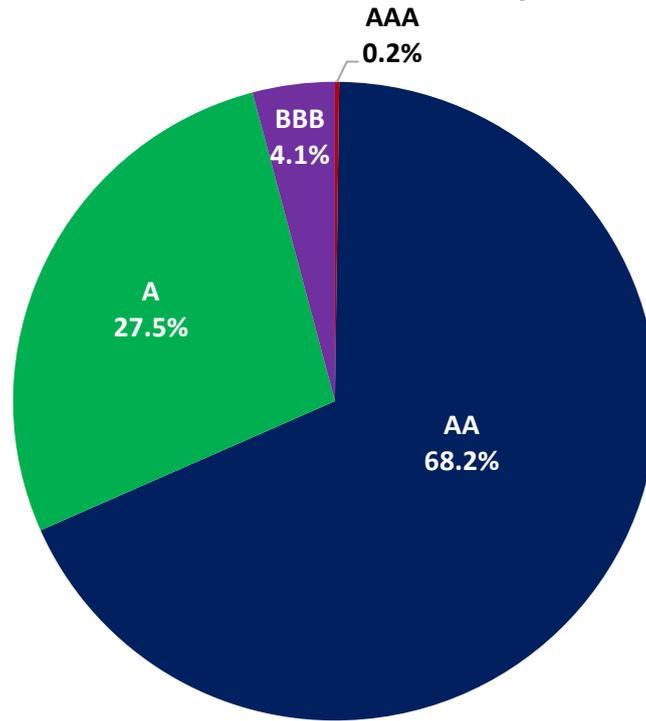
**Portfolio Liquidity - Maximum Allowances as at 31 January 2022**



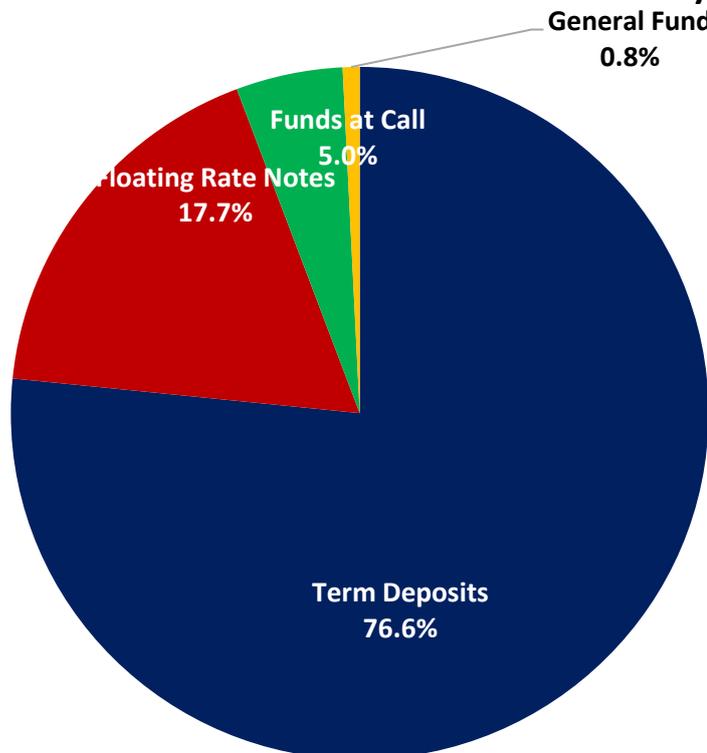
**Portfolio Liquidity - Minimum Allocations as at 31 January 2022**



### Risk Profile as at 31 January 2022



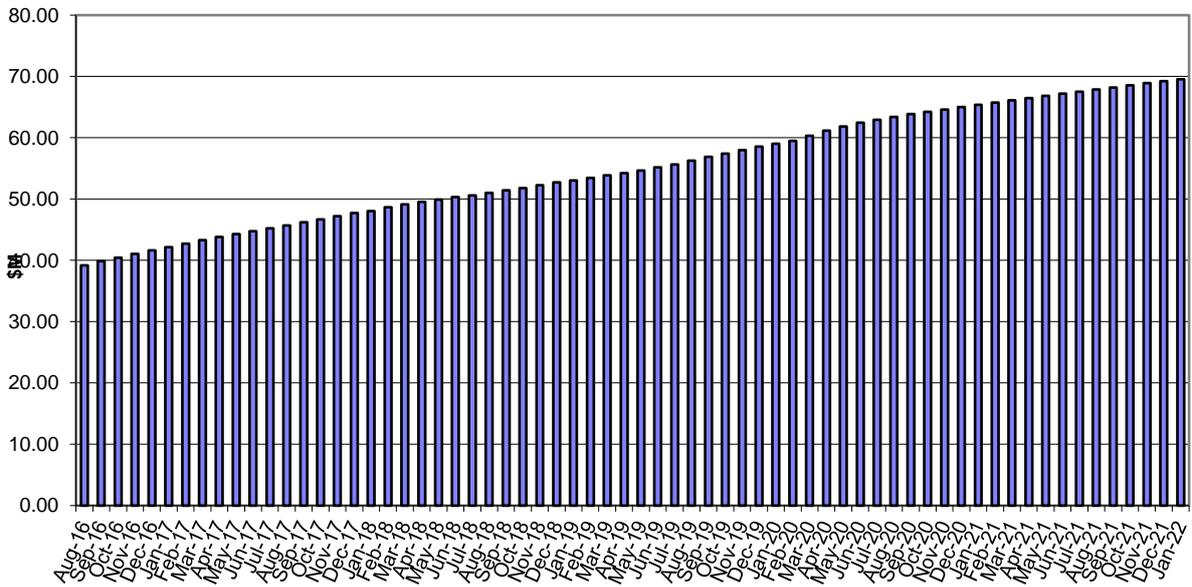
### Investment Product Profile as at 31 January 2022



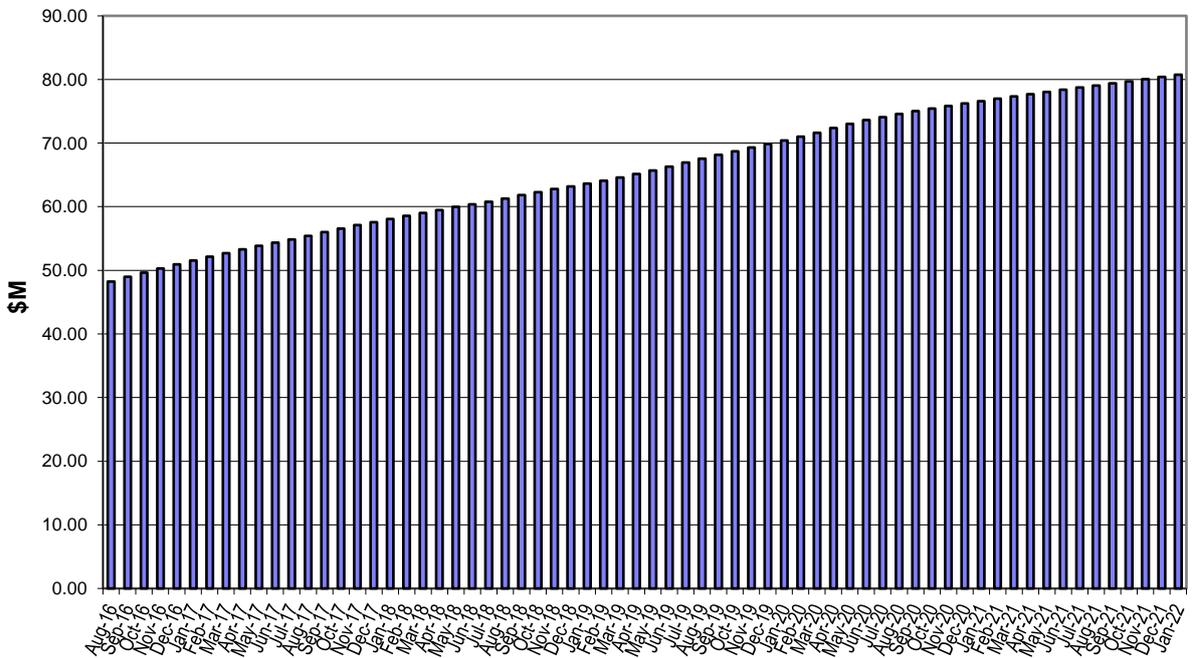
**INVESTMENT AND CASH DISTRIBUTION BY FINANCIAL INSTITUTION**  
as at 31 January 2022

Institution Category	Financial Institution	Amount \$M	Financial Inst. %	Institution Cat. %
Australian Big 4 Bank (and related institutions)	ANZ Bank	18.0	2.5	
	Commonwealth Bank	172.0	24.2	
	National Aust Bank	65.7	9.3	
	Westpac Banking Corporation	218.5	30.8	
<b>Big 4 Total</b>		<b>474.1</b>		<b>66.8</b>
Other Australian ADIs and Australian subsidiaries of foreign institutions	Bank Australia Limited	5.0	0.7	
	Bank of Queensland	57.0	8.0	
	Bendigo & Adelaide Bank	70.0	9.9	
	Great Southern Bank (formerly Credit Union Australia)	4.3	0.6	
	IMB	15.0	2.1	
	ME Bank	16.0	2.3	
	Suncorp Bank	22.9	3.2	
	Macquarie Bank Ltd	31.0	4.4	
	Northern Territory Treasury Corporation	10.0	1.4	
Newcastle Permanent Building Society	5.0	0.7		
<b>Other ADI Total</b>		<b>236.1</b>		<b>33.2</b>
<b>Grand Total</b>		<b>710.2</b>	<b>100.0</b>	<b>100.0</b>

### Cumulative Outperformance over AusBond Benchmark - 2016-2022



### Cumulative Outperformance over 30 Day BBR Benchmark - 2016-2022



**Item 6.****Lease Approval - Ground Floor Suite 3, Level 1 and 2 - 46-52 Mountain Street, Ultimo**

**File No:** S099555

**Summary**

This report seeks Council approval to grant a new lease to Torrens Global Education Services Pty Ltd for Ground Floor Suite 3, Level 1 and Level 2, Wilcox Mofflin, 46-52 Mountain Street, Ultimo, for a term of five years with a five-year option. Lease to commence on 1 April 2022.

As the annual rent is over \$500,000 and the lease term exceeds five years, Council approval is required to grant this lease.

**Recommendation**

It is resolved that:

- (A) Council approve a lease to Torrens Global Education Services Pty Ltd for a term of five years with one further option of five years for Ground Floor Suite 3, Level 1 and Level 2, 46-52 Mountain Street, Ultimo on the terms and conditions contained in Confidential Attachment A to the subject report; and
- (B) authority be delegated to the Chief Executive Officer to finalise the terms of the lease, including the exercise of the lease option term.

**Attachments**

**Attachment A.** Essential Lease Terms and Conditions (Confidential)

## Background

1. The City of Sydney has a commercial investment portfolio of 41 buildings and around 300 active retail, commercial and stratum leases.
2. The income derived from the commercial investment portfolio is the City's second highest revenue source and plays a vital role in contributing to the financial sustainability of Council and will enable the City to continue to support community based organisations, infrastructure projects and provide financial relief and assistance for small business recovery impacted by Covid-19.
3. "Wilcox Mofflin", 46-52 Mountain Street, Ultimo, is a heritage listed property which has been part of the City's commercial investment portfolio since 2001.
4. Torrens Global Education Services Pty Ltd are a leading post-secondary education network offering undergraduate, graduate, and technical vocational credentials. Think Education and Torrens University form part of the Torrens Group.
5. Think Education Services Pty Ltd have been tenants in the building since April 2014 and currently have a lease on Suite 3, Ground Floor and Levels 1 and 2 of Wilcox Mofflin which will expire 31 March 2022 with an option to renew for a further five years.
6. Think Education Services Pty Ltd and Torrens Global Education Pty Ltd are two related entities, both controlled by SEI Newco Inc which is a company listed on the Nasdaq. SEI Newco Inc are consolidating university names with Torrens being the preferred name in most cases.
7. Think Education Services Pty Ltd have requested a new lease be issued in the name of Torrens Global Education Services Pty Ltd commencing 1 April 2022 for a five-year term with a five-year option.
8. The total office area being leased is 3,941.2 m<sup>2</sup>.
9. Torrens Global Education Services Pty Ltd (Think Education) have been model tenants at all times.
10. Covid-19 has had an adverse impact on commercial rents and has seen a rise in vacancy rates resulting in intense competition amongst landlords to retain and attract tenants during the Covid recovery phase.
11. It is essential that the City be able to operate competitively and effectively in the commercial property market during this time and will need to be agile in its ability to grant lease approvals.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030

12. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This report is aligned with the following strategic directions and objectives:
  - (a) Direction 10 - Implementation through Effective Governance and Partnerships. Specifically, Action 10.5.1 - Expand revenues from commercial operations, property portfolio and other income generating assets.

## Financial Implications

13. The new rent and incentive are consistent with the current market conditions and this will be allowed for in the forward estimates.

## Rental Determination

14. Rawlinsons Corporate Property Services were engaged by the City to undertake an independent assessment of the rental value for the premises and the lease proposal is in line with the report provided by Rawlinsons.

## Relevant Legislation

15. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
16. Attachment A contains confidential commercial information and details which, if disclosed, would confer a commercial advantage on a person with who Council is conducting (or proposes to conduct) business.
17. Discussion of this matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Councils ability to negotiate fairly and commercially to achieve the best outcome for rate payers.

## AMIT CHANAN

Director City Projects and Property

David Graham, Commercial Property Manager

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**Item 7.****Lease Approval - Levels 3, 4 and 5 - 46-52 Mountain Street, Ultimo****File No: S099955****Summary**

This report seeks Council approval to grant a new lease to DDB Sydney Pty Ltd for Levels 3, 4 and 5, Wilcox Mofflin, 46-52 Mountain Street, Ultimo for a term of five years with a lease option term of five years. Lease to commence 22 June 2022.

As the annual rent is over \$500,000 and the lease term exceeds five years, Council approval is required to grant this lease.

**Recommendation**

It is resolved that:

- (A) Council approve a lease to DDB Sydney Pty Ltd for a term of five years with a further option for five years for Levels 3, 4 and 5, Wilcox Mofflin, 46-52 Mountain Street Ultimo on the terms and conditions contained in Confidential Attachment A to the subject report; and
- (B) authority be delegated to the Chief Executive Officer to finalise the terms of the lease, including the exercise of the lease option.

**Attachments**

**Attachment A.** Essential Lease Terms and Conditions (Confidential)

## Background

1. The City of Sydney has a commercial investment portfolio of 41 buildings and approximately 300 active retail, commercial and stratum leases.
2. The income derived from the commercial investment portfolio is the City's second highest revenue source and plays a vital role in contributing to the financial sustainability of Council. This will enable the City to continue to support community based organisations, infrastructure projects and provide financial relief and assistance for small business recovery impacted by Covid-19.
3. "Wilcox Mofflin", 46-52 Mountain Street, Ultimo, is a heritage listed property which has been part of the City's commercial investment portfolio since 2001.
4. DDB Sydney Pty Ltd (DDB) is an advertising agency who have been a tenant in the Wilcox Mofflin building since 2001.
5. The current lease to DDB expires 21 June 2022.
6. DDB has requested a new five-year lease be issued from 22 June 2022 with an option to renew for a further five years.
7. The total office area being leased is 3,662 m<sup>2</sup>.
8. DDB have been model tenants at all times.
9. Covid-19 has had an adverse impact on commercial rents which has seen a rise in vacancy rates resulting in intense competition amongst landlords to retain and attract tenants during the Covid recovery phase.
10. It is essential that the City be able to operate competitively and effectively in the commercial property market during this time and will need to be agile in its ability to grant lease approvals.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030

11. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This report is aligned with the following strategic directions and objectives:
  - (a) Direction 10 - Implementation through Effective Governance and Partnerships. Specifically, Action 10.5.1 - Expand revenues from commercial operations, property portfolio and other income generating assets.

### **Financial Implications**

12. The new rent and incentive are consistent with the current market conditions and this will be allowed for in the forward estimates.

### **Rental Determination**

13. Rawlinsons Corporate Property Services were engaged by the City to undertake an independent assessment of the rental value for the premises and the lease proposal is in line with the report provided by Rawlinsons.

### **Relevant Legislation**

14. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
15. Attachment A contains confidential information and details which, if disclosed, would confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business.
16. Discussion of this matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Councils ability to negotiate fairly and commercially to achieve the best outcome for rate payers.

### **AMIT CHANAN**

Director City Projects and Property

David Graham, Commercial Property Manager

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**Item 8.****Tender - T-2021-619 Reject and Negotiate – Allan Davidson Oval, Alexandria – Cricket Nets****File No: 2021/567255****Tender No: T - 2021 - 619****Summary**

This report provides details of Tender 2021 – 619 – Allan Davidson Oval Alexandria – Cricket Nets to deliver construction services for the Allan Davidson Oval Cricket Nets.

Allan Davidson Oval Crickets Nets is an asset that complements Allan Davidson Oval. The cricket nets play a major role in the community with the public and community clubs using the facility regularly in the cricket season and throughout the year for training purposes.

The current cricket net structure at Allan Davidson Oval is approximately 20 years old and is in poor condition. The facility includes six natural turf wickets and three existing synthetic turf wickets. The practice nets' chain wire fencing, pole structures and artificial grass are severely dilapidated. The existing facility is heavily used by sporting groups and for informal use. The cricket net facility does not meet current Cricket Australia Facilities Guidelines.

The project will deliver a renewal of the current cricket practice facility at Allan Davidson Oval.

In 2021, the City sought tender to T-2021-619 - Allan Davidson Oval Alexandria - Cricket Nets. Only one submission was received. The tenderer failed to provide responses to multiple evaluation criteria and were deemed non-compliant.

This report recommends that Council decline to accept the tender offer received for Allan Davidson Oval Alexandria Cricket Nets and enter into negotiations with any person (whether or not the person was a tenderer) with a view to entering into a contract in relation to the subject matter of the tender, as it is considered that inviting fresh tenders would not result in a successful outcome given the small market in cricket facilities construction and the limited response to this tender and the preceding request for quotation.

**Recommendation**

It is resolved that:

- (A) Council decline to accept the tender offer received for the Allan Davidson Oval Alexandria Cricket Nets for the reasons set out in Confidential Attachment B to the subject report;
- (B) Council enter into negotiations with any person (whether or not the person was a tenderer) with a view to entering into a contract in relation to the subject matter of the tender;
- (C) Council note that the reason for determining to enter into negotiations is that inviting fresh tenders would not attract additional suitable vendors or terms over and above those that have responded to this tender and the preceding request for quotation;
- (D) authority be delegated to the Chief Executive Officer to enter into negotiations with any person with a view to entering into a contract in relation to the subject matter of the tender;
- (E) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender; and
- (F) Council be informed of the successful vendor via the CEO Update.

**Attachments**

**Attachment A.** Concept Design Drawings – Allan Davidson Oval Cricket Nets

**Attachment B.** Tender Evaluation Summary (Confidential)

## Background

1. The current cricket net structure at Allan Davidson Oval is approximately 20 years old and is in poor condition. The facility includes six natural turf wickets and three existing synthetic turf wickets. The practice nets' chain wire fencing, pole structures and artificial grass are severely dilapidated. The existing facility is heavily used by sporting groups and for informal use. The cricket net facility does not meet current Cricket Australia Facilities Guidelines.
2. The project will deliver a renewal of the current cricket practice facility at Allan Davidson Oval following the four key guiding design principles stated in the Cricket Australia – Community – Facilities Guidelines 2015:
  - (a) **Safety:** The construction includes the removal of the existing materials and replacing with materials that meet Australian Standards. The scope also includes the extension of the roofing of the practice nets as well as the installation of retractable back stop netting to minimise the risk to other park users.
  - (b) **Compliance:** The structure is to meet the technical specifications set out in the guidelines.
  - (c) **Accessibility:** The practice nets will be accessible for the public to use throughout the year.
  - (d) **Game Development:** The structure will meet compliance guidelines allowing the public and local community clubs the best practice surface to develop their skill and game development.
3. The project aims to create an inclusive, equitable, safe, engaging facility and environment for all community members to enjoy.
4. The design of the new nets (refer Attachment A) has been informed by the Cricket Australia Community Facility Guidelines and from discussions with Balmain South Sydney Cricket Club. The scope of works includes:
  - (a) upgrade of the current synthetic and turf practice nets' structure to meet Cricket Australia's Facilities Guidelines;
  - (b) extension of perimeter fencing and roofing;
  - (c) installation of back stop behind bowler's run up;
  - (d) environmental requirements to ensure compliance with Sydney Park interim environmental plan; and
  - (e) retention of all existing trees.

## Invitation to Tender

5. The invitation to tender period was from 4 November 2021 to 3 December 2021. The tender was advertised via TenderLink.

## Tender Submissions

6. The City received one submission from Synthetic Sports Group.
7. A late submission was also received.

## Tender Evaluation

8. All members of the Tender Evaluation Panel signed Pecuniary Interest Declarations. No pecuniary interests were noted.
9. The scoring of the tender, as determined from the total weighted score, is provided in the Confidential Tender Evaluation Summary – refer Attachment B.
10. All submissions were assessed in accordance with the approved evaluation criteria being:
  - (a) Schedule of Prices.
  - (b) Experience with the design and the delivery of a cricket infrastructure project of this scale.
  - (c) Demonstrated capacity and allocation of resources for a design and construction contract, including sub-contractors and Aboriginal & Torres Strait Islander Involvement.
  - (d) Proposed program.
  - (e) Proposed methodology, including sustainable practices.
  - (f) Work, Health and Safety including a Covid Safe Plan.
  - (g) Insurances.

## Performance Measurement

11. Key performance indicators include:
  - (a) Quality of Work: Ensuring works are in accordance with the contract documents including specifications, contract drawings and contract preliminaries.
  - (b) Time: Attending regular inspections of the works and review of the construction program.
  - (c) Reporting: Ensuring site audits /inspections are carried out in accordance with contract.
  - (d) Communication: Attending regular site meetings with the contractor.
  - (e) WHS Compliance: Conducting regular WHS audits/inspections raising any non-conformance issues and corrective actions (if required).

## Financial Implications

12. There are sufficient funds allocated for this project within the current year's capital works budget.

## Relevant Legislation

13. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2021 and the City's Procurement and Contract Management Policy.
14. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
15. Attachment B contains confidential commercial information of the tenderers and details of Council's tender evaluation and contingencies which, if disclosed, would:
  - (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
  - (b) prejudice the commercial position of the person who supplied it.
16. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

## Critical Dates / Time Frames

17. February - March 2022 - Negotiation period with suitable contractors.
18. March 2022 - Contract awarded to successful contractor.
19. April - July 2022 - Proposed construction period.
20. August 2022 – Completion and handover.

## Options

21. Minor repairs could be carried out, however, this would not be recommended as the current structure is in poor condition and most of the materials would have to be replaced as part of this process. This approach would be inefficient and would not comply with standards or Cricket Australia guidelines.
22. If no repairs were carried out the current structure would continue to deteriorate and present risks to park users. This would lead to closure of the facility.

**Public Consultation**

23. No public consultation was undertaken prior to this tender being advertised as it is a renewal of an existing asset.
24. Primary user of the cricket nets, Balmain South Sydney Cricket Club, were consulted during development of the design plans with opportunity provided to provide feedback to inform the design. In response to the consultation the retractable back stop netting was moved back to increase the bowlers run up.

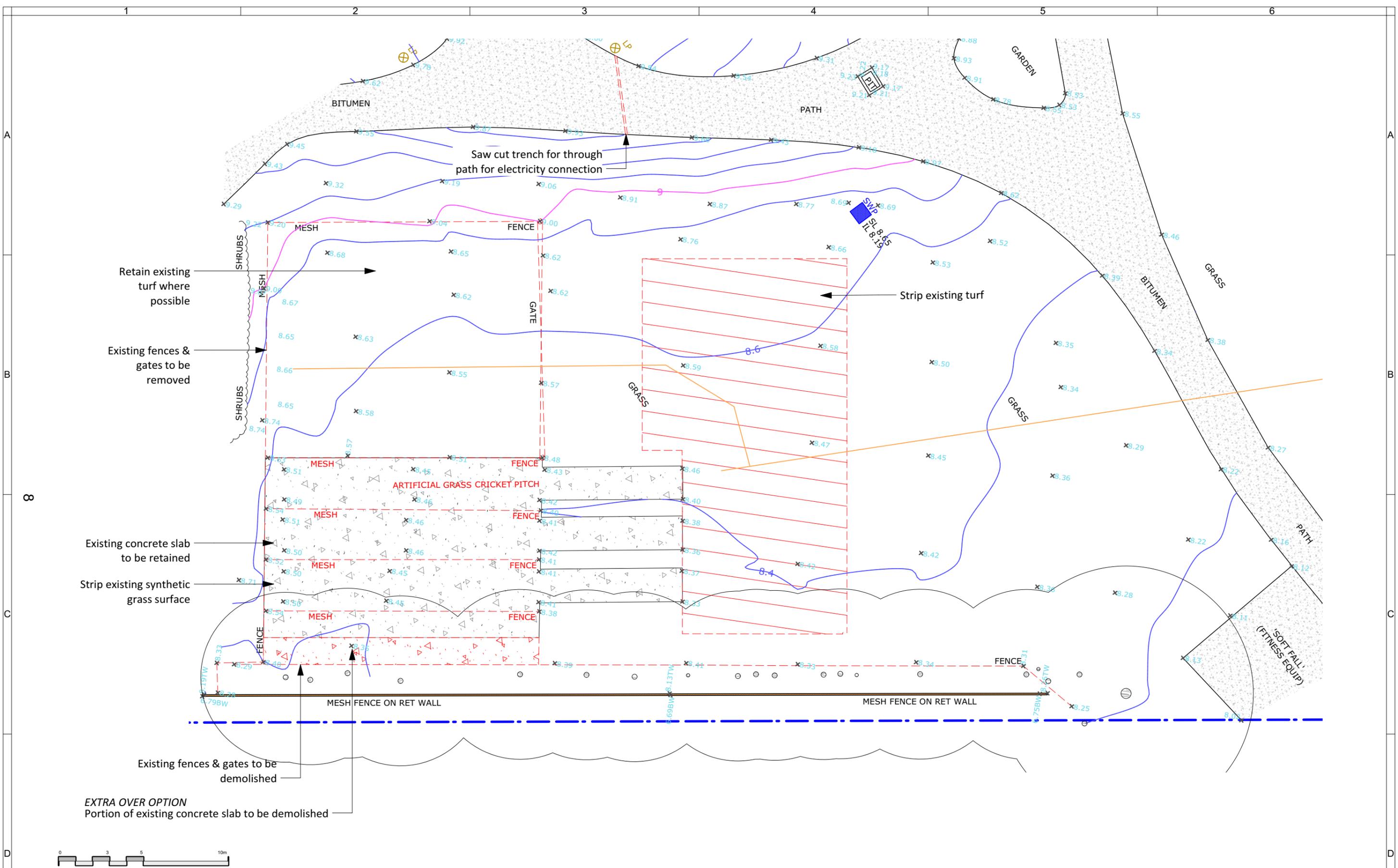
**VERONICA LEE**

Director City Services

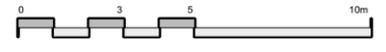
Wayne Hall, Project Officer - Parks Operations

# **Attachment A**

**Concept Design Drawings –  
Allan Davidson Oval Cricket Nets**



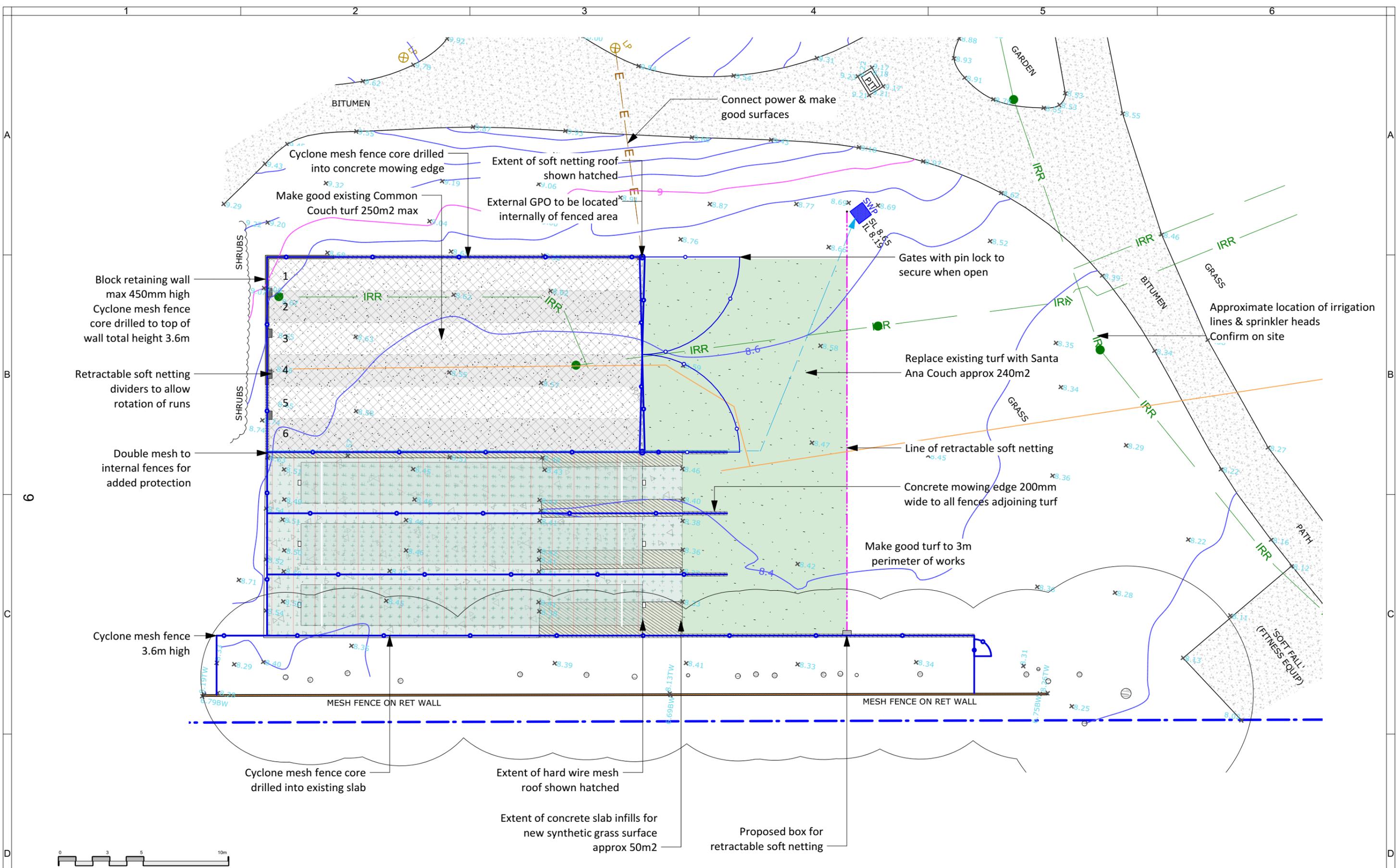
EXTRA OVER OPTION  
Portion of existing concrete slab to be demolished



Rev. Date Description		Notes:		Northpoint 		Client: City of Sydney		Project Name: Alan Davidson Oval Cricket Net Refurbishment Alexandria NSW 2015		Drawn to AS1100 Job No: COS117D		Do not Scale Sheet No: 1 of 5		Dimensions in Millimetres Drawn By: FT		Checked By: DK		Approved By: AF	
						File Name: 210830 Alan Davidson Oval Cricket Nets Landscape Plan2s.vwx		Drawing Name: Demolition Plan		Scale: 1:200		Sheet: A3		Plot Date: 31/8/21		Check Date: 31/8/21		Approve Date: 31/8/21	
										Dwg No: DP1				Revision:		Copyright ©			

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PHONE: 9971 4100 FAX: 9971 3100  
www.thegardenmakers.com.au



Rev.	Date	Description	By
B	31/8/21	Retaining wall position revised, changes to slab extent, turf, fencing and addition of power GPO	FT
A	19/8/21	Retaining wall added to allow cut into western corner	FT

Notes:

Northpoint

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PHONE: 9971 4100 FAX: 9971 3100  
www.thegardenmakers.com.au

Client:  
City of Sydney

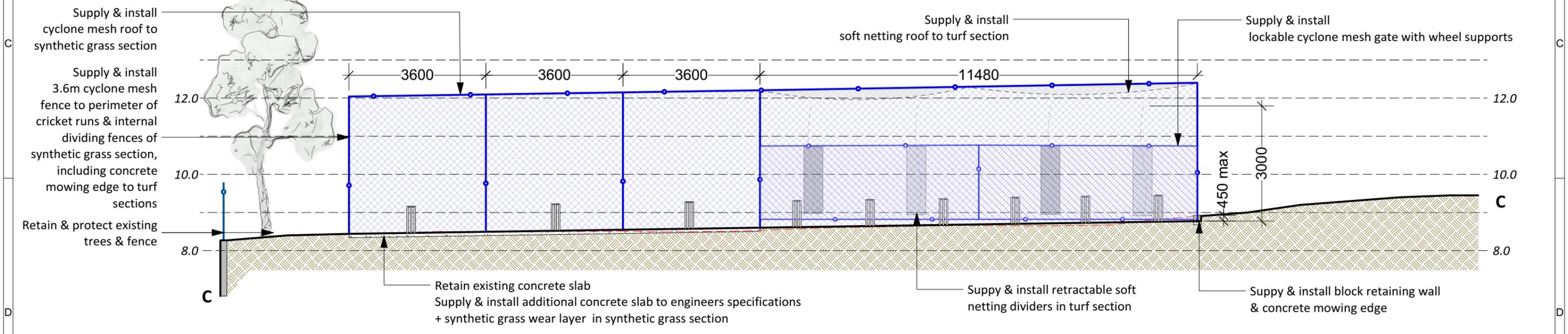
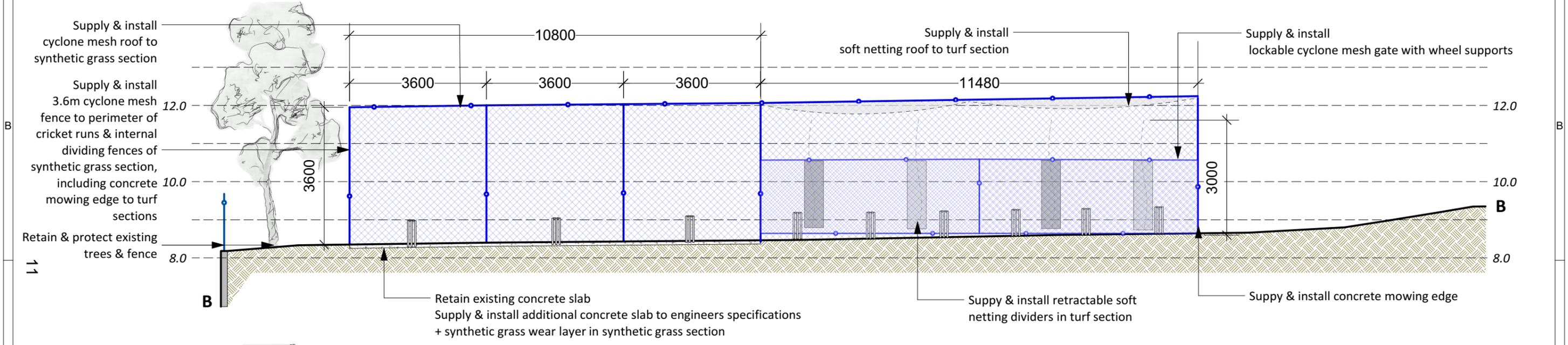
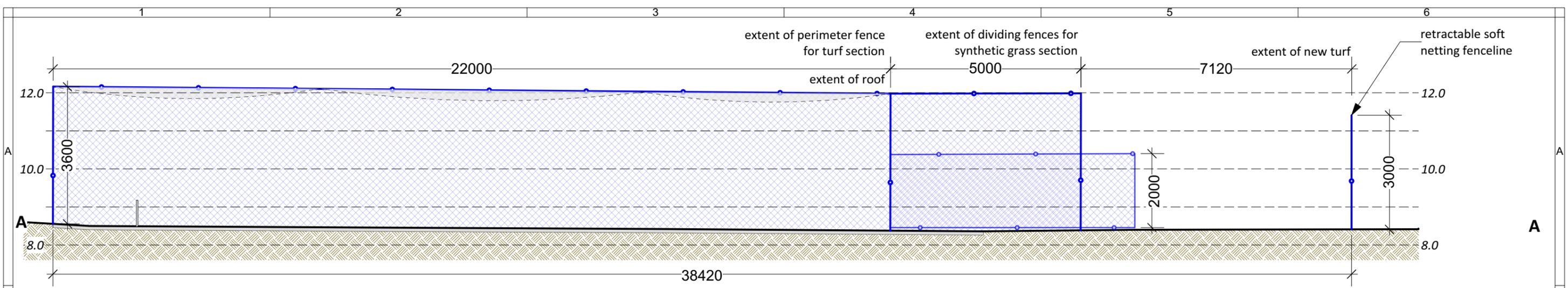
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210830 Alan Davidson Oval Cricket Nets Landscape Plan2s.vwx

Project Name:  
Alan Davidson Oval Cricket Net Refurbishment  
Alexandria NSW 2015

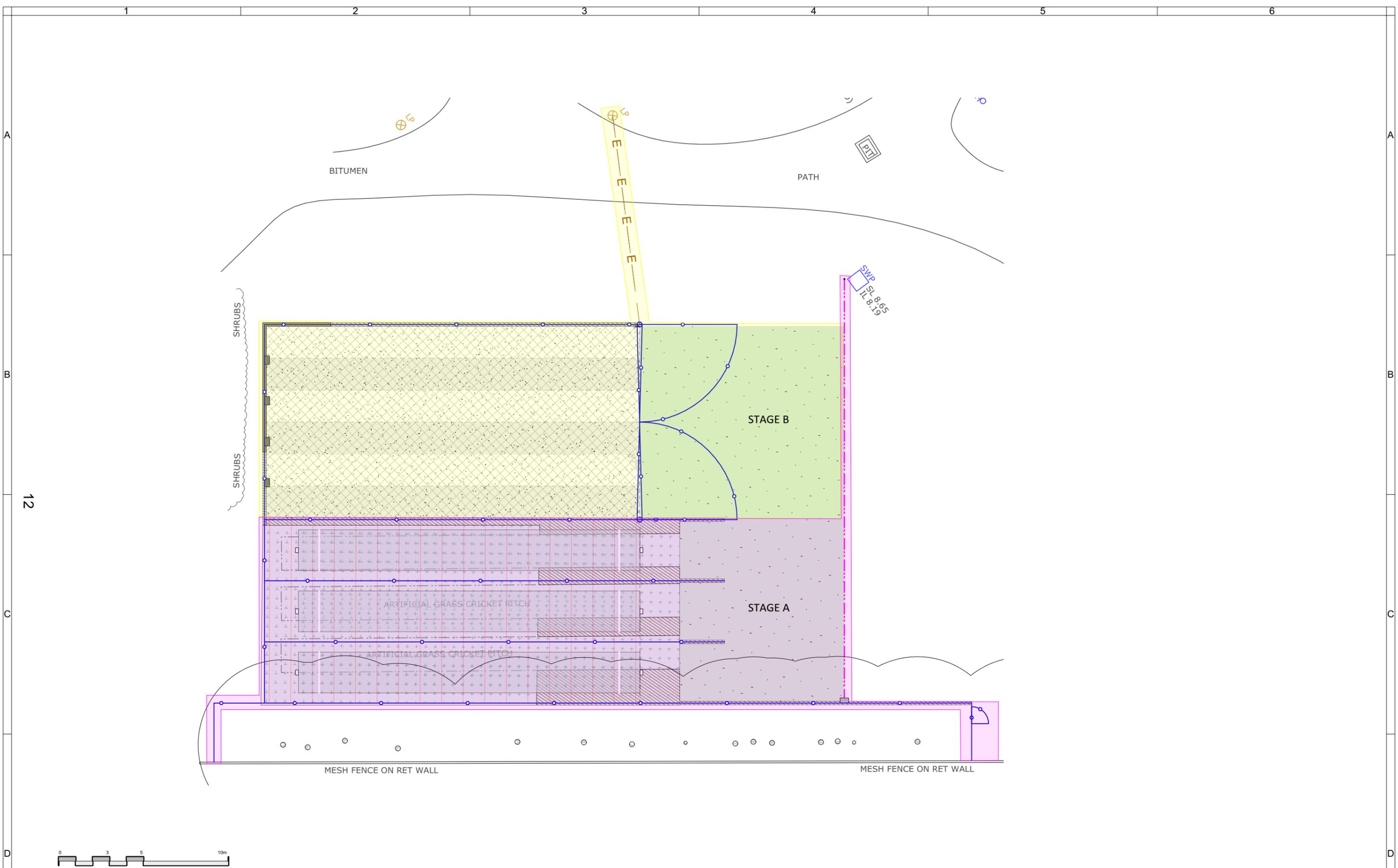
Drawing Name:  
**Concept Plan**

Drawn to AS1100		Do not Scale		Dimensions in Millimetres		
Job No: COS117D	Sheet No: 2 of 5	Drawn By: FT	Checked By: DK	Approved By: AF		
Scale: 1:200	Sheet: A3	Plot Date: 31/8/21	Check Date: 31/8/21	Approve Date: 31/8/21		
Dwg No: CP1	Revision: <b>B</b>			Copyright: <b>©</b>		





	Notes:	Northpoint	Client: City of Sydney	Project Name: Alan Davidson Oval Cricket Net Refurbishment Alexandria NSW 2015	Drawn to AS1100	Do not Scale	Dimensions in Millimetres		
	THE GARDENMAKERS SINCE 1980	6 DUMIC PLACE CROMER NSW 2099 PHONE: 9971 4100 FAX: 9971 3100 www.thegardenmakers.com.au	File Name: 210830 Alan Davidson Oval Cricket Nets Landscape Plan2s.vwx	Drawing Name: Concept Sections	Job No: COS117D	Sheet No: 4 of 5	Drawn By: FT	Checked By: DK	Approved By: AF
	31/8/21 Revised to indicate changes to the concept	FT			Scale: 1:100	Sheet: A3	Plot Date: 31/8/21	Check Date: 31/8/21	Approve Date: 31/8/21
	Rev. Date Description	By			Dwg No: CS1			Revision: A	Copyright ©



Rev.	Date	Description	By
1			

Notes:

Northpoint

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SINCE 1980

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Client:  
City of Sydney

File Name:  
210830 Alan Davidson Oval Cricket Nets Landscape Plan2s.vwx

Project Name:  
Alan Davidson Oval Cricket Net  
Refurbishment  
Alexandria NSW 2015

Drawing Name:  
**Staging Plan**

Drawn to AS1100		Do not Scale		Dimensions in Millimetres	
Job No: COS117D	Sheet No: 5 of 5	Drawn By: FT	Checked By: DK	Approved By: AF	
Scale: 1:200	Sheet: A3	Plot Date: 31/8/21	Check Date: 31/8/21	Approve Date: 31/8/21	
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## **Item 9.**

### **Cancellation of Tender -T-2020-461 - Environmental Monitoring Analysis and Reporting**

**File No: X027380**

**Tender No: T-2020-461**

#### **Summary**

The City requires Environmental Monitoring, Analysis and Reporting services to provide environmental monitoring (water quality and air quality) and management services for the City's parks and open spaces.

In June 2021, the City publicly advertised a tender for the provision of Environmental Monitoring Analysis and Reporting. A preferred supplier was recommended by the Tender Evaluation Panel, endorsed by the Tender Review Group (TRG) and approved by the Chief Executive Officer in September 2021.

During the process of executing the contract, the approved Supplier advised of a miscalculation in their tender submission resulting in a major pricing error that would have impacted their ranking in the tender. Subsequently the approved Supplier withdrew their submission.

Circumstances and timing required the works to be retendered and a Request for Quotation (RFQ) process was completed in November 2021. This contract will relieve the gap in services for water quality monitoring and will be operational for six months, allowing adequate time to complete the retender process. This process was essential to ensure the City meets its environmental responsibilities and provides appropriate water quality for public access and environmental protection from now to the finalisation of a new tender.

Accordingly, this report recommends that Council cancel the T-2020-461 tender for Environmental Monitoring, Analysis and Reporting and invite new tenders for the works.

## **Recommendation**

It is resolved that Council:

- (A) cancel the tender for Environmental Monitoring, Analysis and Reporting;
- (B) invite new tenders for the works; and
- (C) note that a six-month contract is currently being implemented following a competitive Request for Quotation process (Q-2021-649), in order to allow time for the retendering process to be completed and to ensure business continuity.

## **Attachments**

Nil.

## Background

1. The City requires Environmental Monitoring, Analysis and Reporting services to provide environmental monitoring (water quality and air quality) and management services for the City's parks and open spaces. There are three key elements that need to be considered and addressed.

### Water Quality Monitoring

2. Water quality monitoring is required to determine whether groundwater sources are fit-for-purpose and pose no public health or environmental risks, and assure that surface water bodies at the City's parks and reserves are of an appropriate quality for public access and environmental protection.
3. The City may also seek to examine water quality at the harbour to monitor potential public health risks arising from the harbour due to ease of access to foreshore areas from the City's parks and open spaces.

### Air Quality Monitoring

4. Sydney Park is regulated under the Contaminated Land Management Act 1997 by the NSW Environment Protection Authority (NSW EPA) for the contaminants methane and carbon dioxide arising from landfill gas (LFG).
5. Air quality monitoring, specifically relating to landfill gas monitoring and management, at Sydney Park is required to ensure ongoing capacity to investigate and address risks posed by landfill gas emissions to human health and the environment.

### Environmental Management

6. Environmental Management Plans (EMPs) are assigned for the City to ensure best practice and guidance in meeting the safety requirements and environmental responsibilities of parks and reserves in its care. The City currently has 15 EMPs in place for its parks and open space. Review and updates to the EMPs is a statutory requirement to ensure that they continue to meet the City's needs, in addition to relevant standards and guidelines, now and into the future.
7. The June 2021 tender assessed the following scope of works:
  - (a) conduct water and air quality monitoring in the City's parks and open spaces in accordance with Sampling Analysis and Quality Plans (SAQP);
  - (b) identify issues arising from the environmental monitoring and provide practical recommendations that the City can implement to resolve the issues;
  - (c) provide proactive assessment of risks and ongoing feedback on mitigation measures;
  - (d) review and update the current Sampling Analysis and Quality Plans where necessary;
  - (e) review the City's compliance with the current Environmental Management Plans and update where necessary; and
  - (f) provide practical advice on improvements the City can make to its environmental management.

### **Invitation to Tender**

8. A public tender process was conducted.
9. The tender was opened on Thursday 10 June 2021 and closed on Friday 2 July 2021, a period of three weeks.
10. The tender was advertised on the Supply Nation website and via Tenderlink, the City of Sydney's E-tendering Portal.

### **Tender Submissions**

11. The City received 10 submissions from 10 organisations in response to the public tender.
12. No late submissions were received.

### **Tender Evaluation**

13. On 25 August 2021, a preferred Supplier was nominated by the Tender Evaluation Panel and endorsed by the Tender Review Group.
14. On 3 September 2021, the Chief Executive Officer approved the nominated Supplier for contract execution.

### **Context for Tender Cancellation**

15. The approved Supplier notified a miscalculation in their tender submission resulting in a major pricing error.
16. The approved Supplier officially withdrew from the tender following failed attempts to rectify its pricing error such that it could deliver the scope of work within the tendered pricing that had been accepted.
17. Due to the late withdrawal of the preferred tender and for reasons of transparency and fairness it was considered appropriate that the tender be cancelled and a new tender invitation be issued.
18. To ensure the City's environmental assets continue to meet relevant standards in the interim, a temporary contract to relieve the gap in services (water quality monitoring) is currently being implemented and will be operational for 6 months until a new Supplier is nominated from the retendering process.
19. The temporary contract is necessary to cover water quality monitoring services required as part the City's commitment to maintain appropriate water quality for public access and environmental protection.

**Financial Implications**

20. Sufficient funds are allocated for this project within the current year's operating budget and future years' forward estimates.
21. There are sufficient funds in the 2021/22 operating budget to cover the cost of the temporary contract.

**Relevant Legislation**

22. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2021 and the City's Procurement and Contract Management Policy.

**Critical Dates / Time Frames**

23. Program Key Milestones:
  - (a) Temporary contract for Water Quality Monitoring (two terms) January 2022 – July 2022
  - (b) Re-tender works May 2022 – July 2022
  - (c) Commencement of contract September 2022

**Public Consultation**

24. No public consultation was required to be undertaken prior to this tender being advertised.

**VERONICA LEE**

Director City Services

Bosco Chow, Parks Environmental Engineer

## Item 10.

### **Cancellation of Tender – T-2021-569 and Exemption from Tender- Improvement and Construction Work at Minogue Crescent Reserve, Tote Park and Park on Lyons Road**

**File No: X025396.001**

**Tender No: T-2021-569**

#### **Summary**

This report provides details of the tender for the refurbishment of Minogue Crescent Reserve, Tote Park and Park on Lyons Road.

It is recommended that Council not accept any of the late tender offers received, not call for fresh tenderers for the proposed refurbishment contract works on Minogue Crescent Reserve, Tote Park and Park on Lyons Road and cancel the tender process.

The City has a 10 Year Parks Renewal Capital Works Program which was endorsed by Council on 22 January 2018. The objective of the program is to restore and improve the quality and amenity of existing parks across the local government area.

The renewal of Minogue Crescent Reserve, Tote Park and Park on Lyons Road forms part of the renewal program and the scope was endorsed by Council on 26 October 2020.

The Minogue Crescent Reserve Improvement proposal will protect and enhance the existing landscape character and habitat planting, provide a local scale play space which improves the play opportunities for children aged 0-10, provide a useable turf area, provide a range of seating opportunities which encourage social interaction and use simple, robust, high quality materials which reflect the local neighbourhood character.

The Tote Park improvement proposal will protect and enhance the existing landscape character, provide a local scale play space which improves the play opportunities for local children, provide a range of seating opportunities which encourage social interaction and use simple, robust, high quality materials which reflect the local neighbourhood character.

The Park on Lyons Road project principles are to develop a welcoming and functional park with a strong landscape character, to provide a park framework which is flexible, containing a variety of park spaces and settings, useable turf areas, a range seating opportunities which encourage social interaction and use simple, robust, high quality materials which reflect the local neighbourhood character and facilities to provide a rich recreation facility for local residents.

The Tender was advertised in accordance with the Local Government Act 1993 and no submissions were received for this tender through the tendering portal by the designated 11am closing time.

This report recommends that, in accordance with the Local Government Act 1993 and Local Government (General) Regulation 2021 that the Council cancel Tender T-2021-569 and grant an exemption from issuing a fresh tender. This report further recommends that authority be delegated to the Chief Executive Officer to approach and enter into negotiations with suitable contractors to deliver the improvements and construction work at the Minogue Crescent Reserve , Tote Park and Park on Lyons Road.

## Recommendation

It is resolved that:

- (A) Council cancel Tender T-2021-569 – Improvement and Construction Work at Minogue Crescent Reserve, Tote Park and Park on Lyons Road as no tenders were received prior to the tender closing date and time;
- (B) Council approve an exemption from tender for the Improvement and Construction Work at Minogue Crescent Reserve, Tote Park and Park on Lyons Road in accordance with section 55(3)(i) of the *Local Government Act 1993* noting that, a satisfactory result would not be achieved by inviting fresh tenders to deliver the improvements and construction work at the Minogue Crescent Reserve , Tote Park and Park on Lyons Road;
- (C) Council note the reason why a satisfactory result would not be achieved by inviting fresh tenders is that going to tender will not result in any submissions in addition to the submissions received as part of the tender process that is recommended at (A) to be cancelled, and will extend the time and cost associated with the project;
- (D) authority be delegated to the Chief Executive Officer to enter into negotiations with any person with a view to entering into a contract in relation to the subject matter of the tender;
- (E) authority be delegated to the Chief Executive Officer to execute and administer the contracts relating to the tender; and
- (F) Council be informed of the successful vendor via the CEO Update.

## Attachments

**Attachment A.** Location and General Arrangement Plans

## Background

1. The City has an ongoing small parks and playgrounds improvement program. This program is for parks which need upgrade or enhancement works, the replacement of end-of-life equipment, and to generally provide appropriate facilities for local residents.

## Minogue Crescent Reserve

2. The project scope for Minogue Crescent Reserve was endorsed by Council on 26 October 2020.
3. Minogue Crescent Reserve is a triangular piece of land which is bound to the west by Minogue Crescent, to the north by the Johnston's Creek Sewage Aqueduct (State Heritage Listed) and to the south by public housing. It is zoned RE1 - Public Recreation. The site is approximately 1,900 square metres.
4. There are three landowners which make up the site: Sydney Water, Land and Housing Corporation and the City of Sydney.
5. The existing site is predominantly a sloped turf area. There are a random range of trees of different ages and species. The play area consists of a large sloping rubber pad with a double swing and a small play structure. There are two non-compliant seats, no path access from the road and a single flood light.
6. Minogue Crescent Reserve was identified for an upgrade due to the overall condition of the reserve including the condition of the existing playground, the limited access into and through the park and limited seating. Currently there are two key user groups: residents at the adjacent public housing units and individuals or groups associated with the Police and Citizens Youth Club.
7. The proposed works include:
  - (a) a new on-grade path connecting from the street, through the park and towards the Police and Citizens Youth Club;
  - (b) an open lawn area for passive recreation and informal ball games;
  - (c) a range of seating in both sun and shade, including a low seating wall and new bench seats with backs and arm-rests;
  - (d) a new basket swing;
  - (e) a new hill slide and nature play area;
  - (f) preparation works for new tree planting;
  - (g) new planted swale to manage site stormwater;
  - (h) extension of the existing habitat planting;
  - (i) improved access to the adjacent public housing units;
  - (j) footpath widening on Minogue Crescent; and
  - (k) interpretive playspace that relates to local Aboriginal history of the area.

**Tote Park**

8. The project scope for Tote Park was endorsed by Council on 26 October 2020.
9. Tote Park is bound by Joynton Avenue, Grandstand Parade, Austin Grove and Wolseley Grove in Zetland. It is owned by the City of Sydney. The playground is located on the southern edge of the park, on Austin Grove. The total area of the park is 3,050 square metres while the playground is approximately 200 square metres. The scope of works is limited to the playground.
10. Tote Park Playground was identified for an upgrade due to the playground's overall condition, including failing play equipment, seating and soft-fall surfacing. No broader park works are proposed.
11. The existing play equipment includes a double swing set, sand play, a series of timber balance beams and decks, and a large timber play structure. The current play offering provides a good range of play experiences including active, imaginary, dynamic, manipulative, and sensory.
12. There is no shade structure, however, shade is provided by a series of Jacaranda trees throughout the play area. Planting provides a buffer to the road and there is some well-established plant material within the playground which will be retained as part of the upgrade.
13. Tote Park is an off-leash dog park. Across the local government area, dogs are not permitted within 10 metres of a playground. At Tote Park there is some conflict between playground users and dog owners. A low fence is located on Austin Grove to provide separation between the playground and footpath. There is currently no fence between the grass areas / off leash areas and the playground. A low fence is proposed between the play area and the lawn to improve separation between the different user groups.
14. The proposed works include:
  - (a) extend paving to improve an accessible entry;
  - (b) replace existing rubber soft-fall;
  - (c) a new see-saw;
  - (d) a new play tower with slides for children (0-8);
  - (e) a new sand play area;
  - (f) replace existing double swings with similar;
  - (g) retain existing rock boulders and planting;
  - (h) replace and extend the existing timber balance beams and nature play elements;
  - (i) provide a new entry on the eastern edge;
  - (j) provide planting and a low fence on the park side including a defined entry point;
  - (k) replace existing bench seats with similar; and

- (l) retain and protect the existing planting and fence on Austin Grove.

### **Park on Lyons Road**

15. The project scope for Park on Lyons Road was endorsed by Council on 26 October 2020.
16. The name of the site is currently documented as Western Block. For the purposes of this report, the site is referred to as the Park on Lyons Road, noting the park name will be developed in parallel to this project.
17. The Park on Lyons Road, Camperdown, is an L-shape piece of land bound by Lyons Road to the east, Purkis Street to the south, Lambert Street to the north and the Booler Community Centre to the west. The site is approximately 1,745 square metres. The site is owned by the City of Sydney.
18. The existing site is predominately turf with a slight fall towards the corner of Lambert and Lyons Road. The temporary works included park tree planting and bench seats. A clear desire line is marked diagonally through the park.
19. The Park on Lyons Road was identified for upgrade as a phase two development of the site. These works aim to develop a clear park identity and character, a functional path network, clear and flexible programming of the site and general improvements to landscape amenity. Consultation undertaken by both the City and the University of Sydney identified interest in provision of a community garden, fitness equipment, playground and additional seating and picnic facilities.
20. The park is currently used by a range of residents for passive recreation including informal fitness and dog walking. The park has also been used for community events facilitated by the City and other community organisations including the Glebe Community Development Project such as tenant barbecues.
21. The proposed works include:
  - (a) open and clear entries to the park;
  - (b) a new central path connecting Lyons Road to Lambert Street;
  - (c) new seating area on the Lyons Road edge to create a buffer to the park, and a variety of other seating areas;
  - (d) two distinct turf areas;
  - (e) widened footpaths on Lambert Street and Lyons Road;
  - (f) a new fitness area with fixed equipment such as chin-up bars and bench press;
  - (g) new bins and bubbler with dog bowl;
  - (h) improvements to the site drainage through grading and rain gardens/swales;
  - (i) preparation works for new tree planting
  - (j) mass planting; and
  - (k) an area allocated for a future community garden.

## Invitation to Tender

22. The Tender was advertised for three weeks on the City's E-tender website from 15 November 2021, closing at 11am on 6 December 2021.

## Tender Submissions

23. No submissions were received through the tendering portal by the designated 11am closing time on 6 December 2021.
24. Two late submissions were received from the following organisations. Both organisations failed to load their submissions by 11am. Both organisations emailed their submission directly to the Procurement Representative after 11am. The two organisation include:
  - (a) Ceecorp Pty Ltd; and
  - (b) Growth Civil Landscapes Pty Ltd.
25. In accordance with clause 177(2) of the Local Government (General) Regulation 2021, a tender not submitted by the deadline for the closing of the tender must not be considered by Council.

## Tender Evaluation

26. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
27. The Tender Evaluation Panel acknowledged the submissions were late and not acceptable under clause 177(2) of the Local Government (General) Regulation 2021.
28. Noting no advantage would be gained by undertaking a new tender, it is recommended that extenuating circumstances exist because the market has not responded to the initial tender offer and calling fresh tenders will extend the time and cost for the delivery of the projects. For these reasons a satisfactory result would not be achieved by inviting fresh tenders.
29. All submissions will be assessed in accordance with the approved evaluation criteria being:
  - (a) Company information, demonstrated experience of the Supplier/Tenderer in carrying out works of a similar size and nature, Indigenous engagement.
  - (b) Personnel allocation, qualifications, relevant experience, percentage of time on the project, including sub-contractors, current commitments.
  - (c) Proposed program - program showing stages of the works as required in the schedule and is within the determined duration.
  - (d) Proposed methodology, including pedestrian and traffic management, Site Management Plan and sustainable outcomes and environmental management.

- (e) Work, Health and Safety.
- (f) Financial and commercial trading integrity, including insurances.
- (g) The lump sum price and schedule of prices.

### **Performance Measurement**

30. Subject to a successful conclusion and being able to enter into a contract award. The City will ensure that performance standards are achieved during construction through regular assessment of the following Key Performance Indicators:
- (a) Safety and Environment - Works are carried in a safe manner, to not only avoid incidents but have no non-conformances. All means will be used to reduce undue impact on the environment.
  - (b) Communication - Day-to-day liaison (including weekly site meetings) and inspections with the contractor.
  - (c) Planning - Works are carried out in a planned manner and with a proactive rather than reactive approach to reducing technical and community issues.
  - (d) Program and Resources - Timely completion of separate phases in a co-ordinated manner, reducing the overlapping of various phases, the resources allocated to the project to manage time, and the capacity of the contractor to add resources when required to mitigate delays.
  - (e) Quality assurance - Inspections undertaken by the head contractor in conjunction with the City's representative during construction.  
Cost Variations - All efforts made to reduce the number and value of variations and variation amounts and options provided in a timely manner to give the City the opportunity to mitigate the impact of a variation.
31. The City will ensure the works are in accordance with the contract documents including the Drawings and Specifications, Preliminaries and General Conditions of Contract.

### **Financial Implications**

32. There are sufficient funds available to carry out the proposed works.

### **Relevant Legislation**

33. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2021 and the City's Procurement and Contract Management Policy.

34. This report recommends that Council cancel the tender for proposed improvements and construction work at Minogue Crescent Reserve , Tote Park and Park on Lyons Road and grant an exemption from tender to allow the Chief Executive Officer to enter into negotiations with any person with a view to entering into a contract in relation to the subject matter of the tender.

### **Critical Dates / Time Frames**

35. The proposed program comprises the following activities:

(a)	Engage and negotiate with suitable suppliers	February – March 22
(b)	Engage the Contractor	May 2022
(c)	Contractor to commence on site	May – June 22
(d)	Approximate Date for Practical Completion	November 2022

### **Options**

36. An alternative option is available to Council in the form of cancelling the tender and going back out to the market with another open tender. This option is not recommended after considering the consequential impacts of cost and time on the project to prepare a revised tender package and manage the tender process.

### **Public Consultation**

37. Consultation was undertaken in two parts: pre-consultation and public consultation. Public Consultation was held between 20 July 2020 to 24 August 2020. Thirty submissions were received with the majority in support of the proposed works. Refinements to the detailed design were made in line with the feedback.
38. As part of the required contract conditions, the successful contractor will be required to nominate a dedicated Community Liaison Officer.
39. The successful contractor will be required to notify local residents and neighbouring property occupants prior to commencement of works.

### **AMIT CHANAN**

Director City Projects and Property

Belinda Graham, Delivery Manager

# **Attachment A**

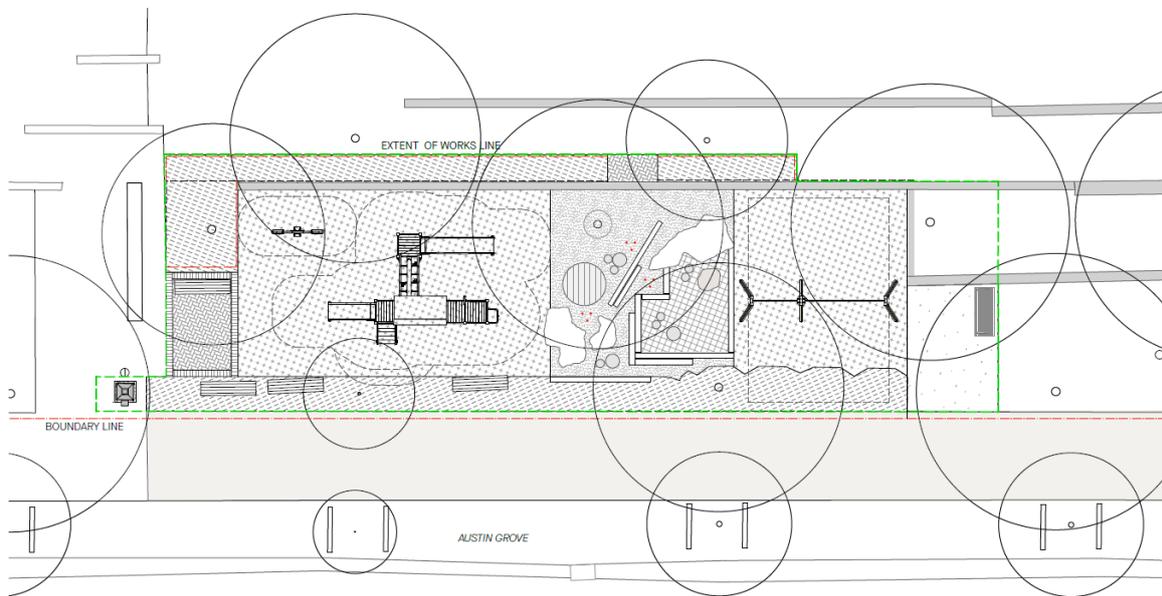
## **Location and General Arrangement Plans**

# Location Plan - TOTE PARK



# General Arrangement Plan - TOTE PARK

SITE PLAN (1:100)

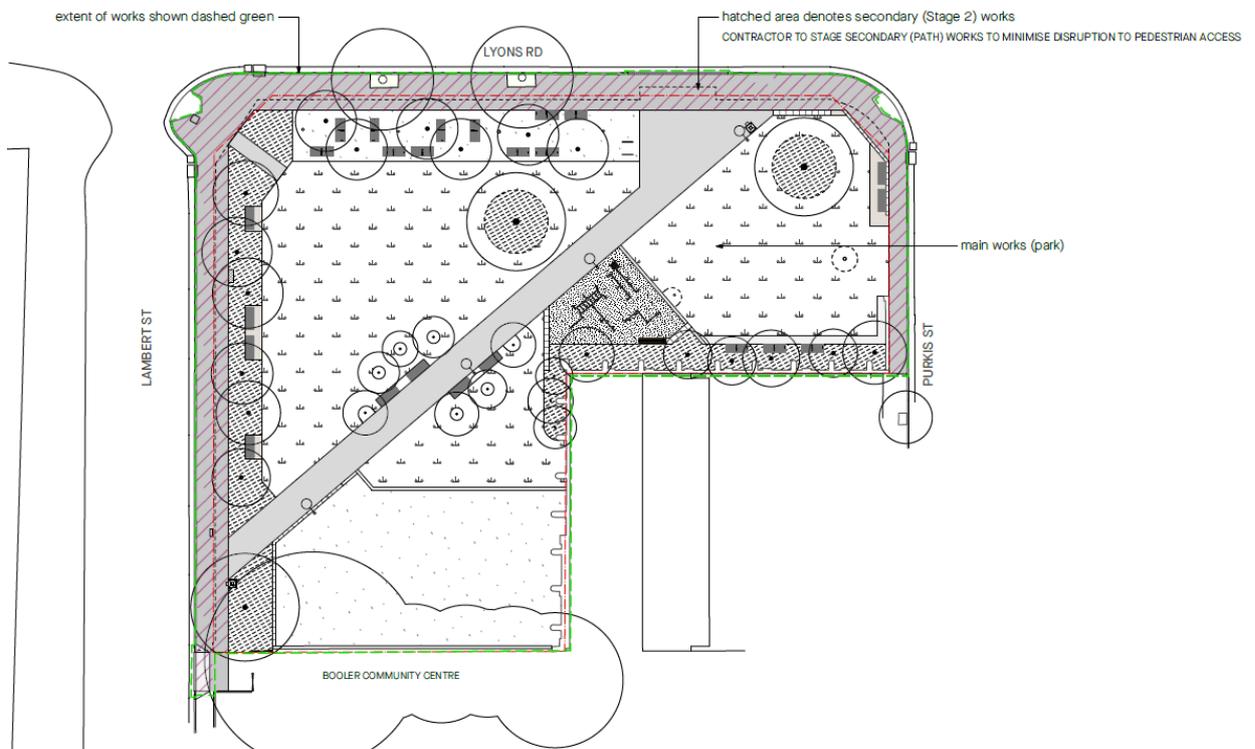


# Location Plan - PARK ON LYONS RD



# General Arrangement Plan - PARK ON LYONS RD

SITE PLAN (1:250)

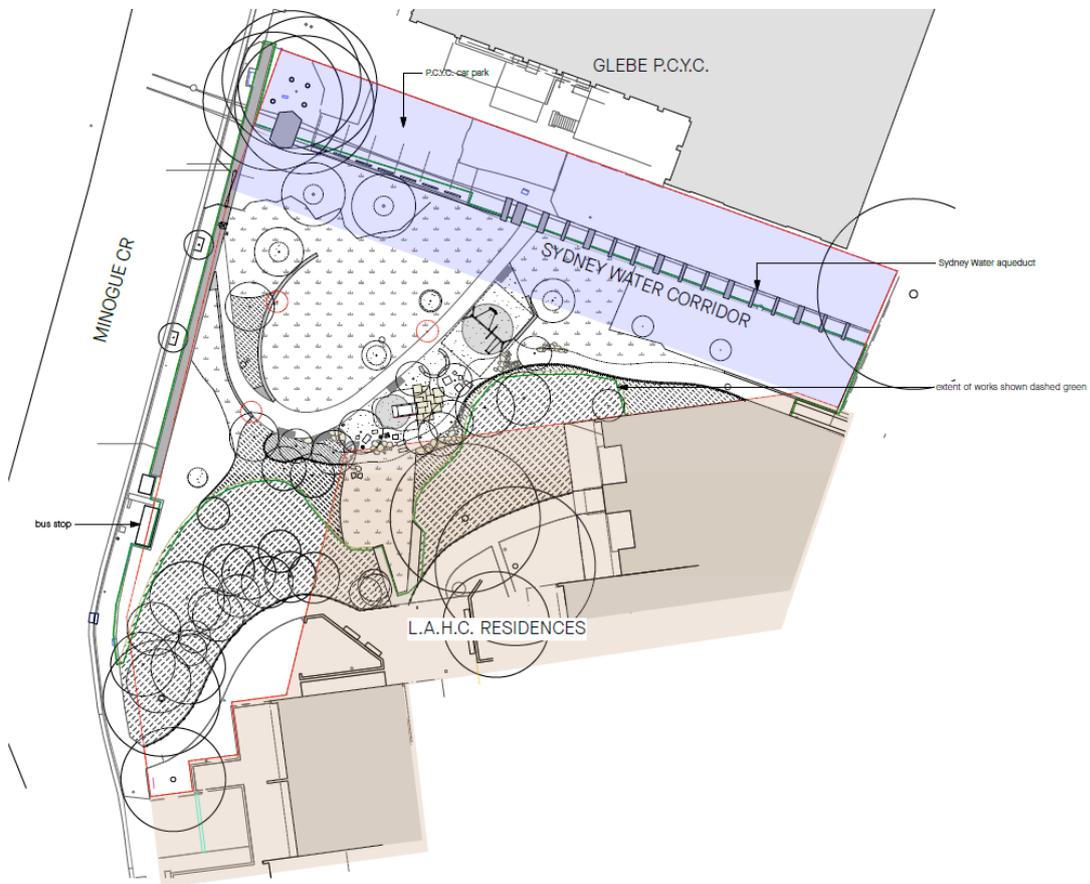


# Location Plan - MINOGUE CRESENT RESERVE



# General Arrangement Plan - MINOGUE CRESENT RESERVE

SITE PLAN (1:300)



## Item 11.

### Exemption from Tender and Contract Variations - Sydney New Year's Eve

**File No:** X080346.003

**Tender No:** 1704 and 1722

#### Summary

This report seeks to vary and extend two contracts associated with the Sydney New Year's Eve event for a further year due to extenuating circumstances.

The City produces the Sydney New Year's Eve event with support from a number of government agencies. The event is one of the largest annual celebrations in the world, attracting over one million spectators along the foreshores of Sydney Harbour pre-pandemic and a global audience of more than 425 million.

The provision of the fireworks displays is an essential element of the event.

Barges are required as the main firing platforms for the fireworks displays on Sydney Harbour, along with tugs to move the barges to and from their allocated positions.

In June 2017, the City entered into an agreement with Foti International Fireworks Pty Ltd for the provision of pyrotechnics for the 2017 and 2018 Sydney New Year's Eve events, with the option to extend for a further term to cover the 2019 - 2021 events.

In August 2017, the City entered into an agreement with Polaris Marine Pty Ltd as Trustee for Polaris Marine Trust No 1 for the provision of barges and tugs for the 2017 and 2018 Sydney New Year's Eve events, with the option to extend for a further term to cover the 2019 - 2021 events.

The option to extend the further term was exercised for both contracts in June 2019.

In 2020, due to the Covid-19 pandemic the Sydney New Year's Eve event was produced by the NSW Government through the NSW Department of Premier and Cabinet's Partnerships and Engagement branch which resulted in both contracts being novated from the City. Following this event, a new contract for the remainder of the term was entered into by the City with each contractor, so as to complete the final year of the original contract option period.

The contracts are aligned to expire on 30 June 2022 following the 2021 Sydney New Year's Eve event. To achieve operational efficiencies, the intention was for the scope of services for pyrotechnics and barge and tug hire to be combined into one contract for the 2022 Sydney New Year's Event and the aim was to go to market no later than September 2021 for the provision of these services. The ongoing pandemic and related uncertainty around the format for the event in future has delayed the timeline to release this procurement.

An exemption to tender for the 2022 Sydney New Year's Eve event will provide the City with the additional time needed to review the format and develop a more accurate scope and combine the scope of services for pyrotechnics and barge and tug hire before going back to market for the provision of services for the 2023 Sydney New Year's Eve event (and respective Further Terms applicable to the agreement).

As such, after careful consideration of the available options, the City is seeking approval to vary and extend both contracts for an additional one year to cover the 2022 Sydney New Year's Eve event.

## Recommendation

It is resolved that:

- (A) Council approve an exemption from tender to enter into a one-year agreement with Foti International Fireworks Pty Ltd for the provision of pyrotechnic services for the 2022 Sydney New Year's Eve event;
- (B) Council approve an exemption from tender to enter into a one-year agreement with Polaris Marine Pty Ltd as Trustee for Polaris Marine Trust No 1 for the provision of barges and tugs for the 2022 Sydney New Year's Eve event;
- (C) Council note the reasons a satisfactory outcome would not be achieved by inviting tenders is due to the following extenuating circumstances:
  - (i) uncertainties relating to the event caused by the Covid-19 pandemic, the City's procurement timeline has been delayed for the provision of these services;
  - (ii) the delivery of the 2022 event would be impacted if a tender process were to be undertaken
- (D) Council approve the variation of the contract for the provision of pyrotechnic services for Sydney New Year's Eve for the price outlined in Confidential Attachment A to the subject report, for a period of one year to cover the 2022 Sydney New Year's Eve event;
- (E) Council approve the variation of the contract for the provision of barges and tugs for Sydney New Year's Eve for the price outlined in Confidential Attachment A to the subject report, for a period of one year to cover the 2022 Sydney New Year's Eve event; and
- (F) authority be delegated to the Chief Executive Officer to finalise negotiations and enter into any necessary documentation to give effect to these resolutions.

## Attachments

**Attachment A.** Financial Implications (Confidential)

## Background

1. The City produces the Sydney New Year's Eve event with support from a number of government agencies. The event is one of the largest annual celebrations in the world, attracting over one million spectators along the foreshore of Sydney Harbour and a global audience of more than 425 million.
2. The focus of the annual event is the fireworks displays. The displays are broadcast live nationally and internationally, and feature heavily in media coverage both prior to and following the event.
3. Barges are required as the main firing platforms for the fireworks displays on Sydney Harbour, along with tugs to move the barges to and from their allocated positions. These firing positions are in addition to the use of the Sydney Harbour Bridge and Sydney Opera House.
4. In June 2017, the City entered into an agreement with Foti International Fireworks Pty Ltd for the provision of pyrotechnic services for the 2017 and 2018 Sydney New Year's Eve events, with the option to extend for a further term to cover the 2019 - 2021 events.
5. In August 2017, the City entered into an agreement with Polaris Marine Pty Ltd as Trustee for Polaris Marine Trust No 1 for the provision of barges and tugs for the 2017 and 2018 Sydney New Year's Eve events, with the option to extend for a further term to cover the 2019 - 2021 events.
6. Following the 2018 event, the option to extend for a further term was exercised for both contracts.
7. In 2020, due to the Covid-19 pandemic the Sydney New Year's Eve event was produced by the NSW State Government through the NSW Department of Premier and Cabinet's Partnerships and Engagement branch which resulted in both contracts being novated from the City. In April and September 2021 respectively, the City re-engaged both suppliers to complete the final year of the original arrangement, to 30 June 2022.
8. Both contracts were aligned to expire on 30 June 2022 following the 2021 Sydney New Year's Eve event, with an intention to invite responses to a new tender combining pyrotechnic and barges and tug requirements under one contract to achieve operational efficiencies and potential savings no later than September 2021.
9. Due to uncertainties relating to the event caused by the ongoing pandemic, the City's procurement timeline has been unavoidably delayed.
10. Issuing a tender any later than October 2021 would not reasonably allow any supplier adequate time to source firework supplies in time for the 2022 Sydney New Year's Eve event. In addition, it would not enable a supplier to accommodate the long lead time required for delivery, including anticipated shipping delays as a result of Covid-19.
11. Collectively, these risks have the ability to impact numerous operational variables and invite unplanned event delivery constraints that would significantly impact the the City's ability to successfully deliver the 2022 Sydney New Year's Eve event.
12. The current suppliers have existing arrangements in place and are well placed to be able to mitigate these risks and ensure supply.

13. As a result, exemption from tender is sought to enter into a one-year agreement with Foti International Fireworks Pty Ltd for the provision of pyrotechnic services and a one-year agreement with Polaris Marine Pty Ltd as Trustee for Polaris Marine Trust No 1 for the provision of barges and tugs for the 2022 Sydney New Year's Eve event as outlined in Confidential Attachment A.

### **Key Contract Terms**

14. The two existing contracts will be extended for one year until 30 June 2023.
15. No further options to extend the contracts will be offered as the requirements in both contracts will be merged and retendered in 2022 to cover the 2023 Sydney New Year's Eve event (and the respective Further Terms applicable).

### **Performance Measurement**

16. Key Performance Indicators are set out in the contracts for both suppliers as follows:
  - (a) delivery of all elements of the services;
  - (b) quality of work;
  - (c) time;
  - (d) reporting;
  - (e) communication; and
  - (f) WH&S compliance
17. Performance of the suppliers is to be evaluated regularly, at least annually following each Sydney New Year's Eve event, and on completion of the contract.

### **Financial Implications**

18. The two suppliers have submitted a proposal to continue delivery of the services for the further one-year period and have indicated that they are able to meet the requirements. Details are outlined in Confidential Attachment A.
19. The contract amounts outlined in Confidential Attachment A will be accommodated by the City's future-year forward estimates and drawn from the total approved 2022/23 Sydney New Year's Eve operating budget which will be approved under appropriate delegation.

### **Relevant Legislation**

20. The exemption from tender process has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2021 and the City's Procurement and Contract Management Policy.

21. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
22. Confidential Attachment A contains confidential commercial information of the tenderers and details of Council's tender evaluation and contingencies which, if disclosed, would:
  - (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
  - (b) prejudice the commercial position of the person who supplied it.
23. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

### **Critical Dates / Time Frames**

24. The term of the amended contracts will commence 1 July 2022 and conclude on 30 June 2023.
25. The extension of the term will enable the City to invite tenders for the new contract in early 2022 and have the contract for the combined services implemented with sufficient lead times for transition in/out periods, including adequate time to procure fireworks for future events.

### **Options**

26. Not proceeding with extending the terms of agreement for the existing suppliers will put at risk the City's ability to deliver the Sydney New Year's Eve event in 2022. The firework displays are the most significant creative element of the show delivered on Sydney Harbour.

**Public Consultation**

27. Public consultation is not required for the extension of this service.

**EMMA RIGNEY**

Director City Life

Stephen Gilby, A/Executive Producer Major Events and Festivals

Document is Restricted

## Item 12.

### Public Exhibition - Precinct Activation Grants Guidelines

**File No: S117847**

#### Summary

This report proposes that draft grant program guidelines and a related addendum to the 2021/22 Operational Plan be placed on public exhibition.

The Covid-19 pandemic has had a significant and devastating impact on our communities and our economy. The City of Sydney (the City) responded swiftly when the pandemic first hit, closing community centres, libraries, pools and playgrounds, increasing cleansing and waste regimes and establishing new grants programs to help support our creative community sector and small business.

On 29 June 2020, Council endorsed City Recovery Plans, and developed the Community Recovery Plan resulting in a new Covid-19 grants program to help support our creatives, community sector and small businesses. In 2021/22, the City's Grant and Sponsorship program has aligned to the Community Recovery Plan to better address emerging community issues and to support economic, cultural and social recovery in our city.

On 26 July 2021, as part of the 2021 Lockdown Response and the underlying Lockdown Recovery Package, Council requested the Chief Executive Officer develop a grant program for delivery of an additional \$4 million to support business and creatives in the recovery of the city economy including the funding for resources to do so, with the proposed program to be reported back to Council.

The resulting new Precinct Activation grant program will encourage collaborative partnerships between businesses, creatives and communities that renew and transform our city centre, local precincts and neighbourhoods. These collaborations will be designed to activate businesses, public places and vacant retail and commercial space with cultural programming. The program will be open to for-profits, not-for-profits and sole traders, with projects to be delivered between 1 June 2022 to 30 June 2023.

The Precinct Activation grant program guidelines were developed in consultation with key stakeholders including the Nightlife and Creative Sector Advisory Panel, local business chambers, industry associations and the community. These align with the Community Recovery plan.

From the \$4 million budget for the grant program, a total of \$300,000 will be used to cover costs associated with administering the new grant program until end of June 2022. A further \$700,000 is the estimated value associated with extending the existing Covid-19 related fee waivers up to 30 June 2023 and would be revenue forgone only for those projects funded through the Precinct Activation grant program. This would include the waiving of any outdoor event related application fees, power access fees, venue hire fees, event road closure fees or other applicable City service and event hire fees normally chargeable for such events.

This report seeks Council approval to extend the existing Covid-19 related fee waivers only for projects funded through the Precinct Activation grant program up to and including 30 June 2023, and to place on exhibition the draft grant program guidelines and a related addendum to the 2021/22 Operational Plan.

The \$3 million cash for the grant program has been made available through the reallocation of unspent funding from other programs in the 2021/22 financial year. Therefore, no cash or value in kind increase is required for the Grants Program Budget.

Since the program will be open to for-profit organisations this will increase the for-profit allocation of grant funding by up to \$3 million.

## Recommendation

It is resolved that:

- (A) Council note the 26 July 2021 Resolution of Council requesting that the Chief Executive Officer develop a grant program for delivery of an additional \$4 million to support business and creatives in the recovery of the city economy including the funding for resources to do so, with the proposed program to be reported back to Council, as shown at Attachment C to the subject report;
- (B) Council endorse the draft Precinct Activation Guidelines as shown at Attachment A to the subject report for public exhibition for a period of 28 days in accordance with the requirements of the Local Government Act 1993;
- (C) Council endorse the draft Operational Plan 2021/22 - Addendum as shown at Attachment B to the subject report for public exhibition, concurrently with the Precinct Activation Guidelines, for a period of 28 days in accordance with the requirements of the Local Government Act 1993;
- (D) Council approve the continuation of existing Covid-19 related fee waivers up to 30 June 2023 only for projects funded through the Precinct Activation grant program and note the potential revenue forgone at an estimated value of \$700,000 per annum; and
- (E) authority be delegated to the Chief Executive Officer to make minor changes to the draft Guidelines and Operational Plan 2021/22 Addendum for clarity or correction of drafting errors prior to public exhibition.

## Attachments

- Attachment A.** Draft Precinct Activation Grant Guidelines
- Attachment B.** Draft Operational Plan 2021/22 - Addendum
- Attachment C.** 26 July 2021 Resolution of Council and Report - Support for Our Community – 2021 Lockdown Response

## Background

1. The Covid-19 pandemic has had a significant and devastating impact on our communities and our economy. The City of Sydney responded swiftly when the pandemic first hit, closing community centres, libraries, pools and playgrounds, increasing cleansing and waste regimes and establishing new grants programs to help support our creative community sector and small businesses.
2. As a health crisis, the response has been generally well managed in NSW and Australia. However, although workers and visitors are returning to the city, the CBD is quieter than before and this continues to significantly impact businesses.
3. The City's actions beginning in 2020 and ongoing are intended to complement the stimulus and support measures of the NSW and Federal Governments and to leverage the resources of Council to ensure the safety and survival of our business, cultural and community sectors.
4. Stimulus and support packages implemented by the Federal and NSW Governments during 2020 provided urgently required access to income support through the bolstered Jobseeker allowance and other benefits. Some of these support measures are being wound back as the economy enters the recovery phase.
5. In 2020, the City implemented a support and stimulus package to support businesses, our cultural and creative industries and our community. The measures were implemented in two phases with an estimated value of \$72.5 million. They were designed to enable organisations and businesses to adapt to a rapidly evolving context, to support their resilience so they are well positioned to bounce back, and to use our own resources to generate employment and provide relief to those most affected.
6. The City of Sydney's initial package endorsed by Council on 30 March 2020 was valued at up to \$25 million. It included the following measures which were to be in place for an initial period of six months:
  - (a) waiving fees for Health and Building compliance activities;
  - (b) reviewing rents in conjunction with tenants in City premises for those tenants that require support on a case-by-case basis;
  - (c) waiving standard contractual terms and return venue booking and banner fees to people and organisations who have booked City of Sydney venues and banners and are now unable to proceed with their bookings;
  - (d) waiving footway dining, market permit and filming fees on the grounds of hardship; and
  - (e) a flexible approach to parking and other infringements.
7. The City also worked with our major business partners and contractors to support them as much as possible to maintain business continuity in the long term.

8. The City implemented policy changes in addition to the financial support including: working with businesses to facilitate the expansion of their outdoor dining areas to enable social distancing and enable them to increase or introduce take away food options; only taking enforcement action for matters that present an imminent public, environmental, health or safety risk; and enabling supermarkets and other stores to operate their loading docks 24 hours a day so that essential goods can be delivered.
9. Phase Two of the City's support measures significantly expanded the initial measures with a second package of financial support valued at up to \$47.5 million. Phase Two was endorsed at an extraordinary council meeting on 30 March 2020 and includes the following actions:
  - (a) establish a cultural sector resilience grants program to provide support to the not-for-profit organisations and sole traders working in the cultural sector;
  - (b) direct donations to locally operated sector led funds, Support Act NSW, Artists Benevolent Fund and Actors Benevolent Fund, to provide emergency relief and mental health support to local cultural workers in crisis;
  - (c) establish a creative fellowships grants program to support artists; establish a small business grants program to assist businesses with innovation and adaptation;
  - (d) establish a small business, creative and community concierge service to assist small businesses, not-for-profits and charity groups to access support available to them via the city, state or federal governments;
  - (e) establish a community hotline that handles inquiries and provides concierge services to residents and community groups seeking information and support; bring forward future years' capital works projects;
  - (f) provide additional rental support for our Accommodation Grant Program tenants and childcare services by waiving all rent for six months;
  - (g) amend the draft Central Sydney Development Contributions Plan 2020 to adopt a sliding scale for developer contributions;
  - (h) increase the Quick Response Grants and the Community Support Grants programs; and
  - (i) a direct donation to Oz Harvest to maintain staffing levels and adapt their service model to meet food security needs of vulnerable communities.
10. In addition to the above, grant recipients were permitted to vary their deliverables under existing grants for six months to enable recipients to retain those funds to support the continuing viability of the City's cultural and creative community. Grants may have been allocated over multiple financial years.
11. Additionally, Council approved a \$35 million budget variation to increase the CEO contingency to allow allocation of this funding to the appropriate operational budget within the adopted 2019/20 operational budget, resulting in a revised budgeted Operational Result of \$77.9 million, and a budgeted Net Operating Result of \$1.5 million. The City also worked with our major contractors to provide a range of support and assistance measures.

12. In June 2020, the City expanded on its initial Covid-19 response and developed a Community Recovery Plan to give direction to how we'll work in partnership with our communities, businesses, the NSW Government and other local governments. The plan supports economic and social recovery in the local area.
13. Key goals of the City's Covid-19 Community Recovery Plan include working together with the NSW Government where actions must be coordinated, supporting businesses and organisations to adapt, rebuilding the visitor economy, prioritising the role of the cultural sector and safely managing public spaces to support community life and businesses.
14. The NSW Government and the City have recognised the need for a collaborative effort to encourage people back into the city in a safe way. This opportunity was identified and supported at the NSW Government Summer Summit in mid-September 2020 where the 24-Hour AI Fresco City program was proposed.
15. On 2 October 2020, the City and NSW Government announced a \$20 million joint funding partnership to boost the city centre economy, support businesses and creatives and invite the public safely back into the city, particularly during the summer months.
16. The NSW Government committed up to \$15 million and the City provided a further \$5 million towards AI Fresco City initiatives. Of this, \$4.3M is being delivered through grants administered by the City.
17. This partnership and funding commitment align with the objectives of our Community Recovery Plan. The AI Fresco City program is in line with these community recovery plan objectives.
18. It is vital that the City promote a safe, inclusive and welcoming city to enable a swift road to recovery for the benefit of the community. The most severely impacted sectors of the economy are those with a high concentration in the CBD including hospitality, tourism, retail and creative industries, all of which require an activated and enlivened city to aid recovery.
19. The AI Fresco City program includes the following initiatives:
  - (a) transforming the city into an outdoor summer cultural experience, creating a summer of outdoor dining;
  - (b) funding projects that enliven public spaces, venues, laneways with music, performance and public art;
  - (c) keeping Sydney's cultural institutions open into the evenings; and
  - (d) working with Destination NSW to promote this activity to Sydney and interstate visitors.
20. The City of Sydney's Grants and Sponsorship Program supports initiatives and projects that build the social, cultural, environmental and economic life of the city. The City seeks to optimise the use of public funds through effective and efficient grant processes, and clear grant program objectives linked to the organisation's strategic goals.

21. In 2019/20 and 2020/21, the City responded to the global pandemic with a new Covid-19 grants programs to help support our creatives, community sector and small businesses.
22. In 2021/22, the City's Grant and Sponsorship program has aligned to the Community Recovery Plan to better address emerging community issues and to support economic, cultural and social recovery in our city.
23. In July 2021, in response to the ongoing lockdown, Council approved funding donations of \$700,000 to provide food relief to vulnerable communities and \$250,000 in new Community Emergency Quick Response Grants for not-for-profit entities to deliver community services addressing urgent community needs as they arise. These activities were funded from a budget transfer of \$950,000 from General Contingency which was approved at this same Council meeting.
24. In July 2021, Council requested the Chief Executive Officer develop a grant program for delivery of an additional \$4 million to support business and creatives in the recovery of the city economy. This \$4 million includes \$3 million cash for the grant program, \$300,000 operating expenditure in order to administer the program and a further \$700,000 in estimated value associated with the waiving of fees constituting additional revenue forgone through this program.
25. The new Precinct Activation grant program will focus on funding projects that promote place-based activations, strengthen local precincts, seed micro-precincts, and regenerate the City's 24-hour economy.
26. Each application must have a lead applicant plus a minimum of five project collaborators, located near each other. The lead applicant may be a for-profit organisation, not-for-profit organisation or sole trader that is:
  - (a) a creative producer and/or agency;
  - (b) an event manager; or
  - (c) a precinct coordinator.
27. The Precinct Activation grant guidelines were developed in consultation with key stakeholders including the Nightlife and Creative Sector Advisory Panel, local business chambers, industry associations and the community.
28. In November 2021, in response to the ongoing lockdown, Council approved \$350,000 in additional funds for Community Emergency Quick Response Grants (\$100,000) to ensure support for community services and food donations (\$250,000) to support vulnerable communities for the period up to 31 January 2022 upon demonstration of community need. These activities were funded through the reallocation of unspent funding from other programs. .
29. The \$3 million cash funding for the proposed grant program has been made available through the reallocation of unspent funding from other programs.
30. The full \$3 million for Precinct Activation Grants will be spent across the 2021/22 and 2022/23 financial years. The \$3 million reallocated in the 2021/22 financial year will also cover the \$350,000 in additional funds endorsed by Council in November 2021. Therefore, no net cash or value in kind increase is required for the overall Grants Program Budget in 2021/22.

31. The further \$700,000 per annum in estimated value associated with the continuation of Covid-19 related fee waivers will be provided only to projects funded through the Precinct Activation grant program up to 30 June 2023. This would include the waiving of any outdoor event related application fees, power access fees, venue hire fees, event road closure fees or other applicable City service and event hire fees normally chargeable to activate the LGA. It is noted that this is potential revenue forgone.
32. The Precinct Activation Guidelines will be placed on public exhibition for at least 28 days, along with related documents, which will include the Operational Plan 2021/22 addendum, to assist the public in understanding the proposed grant program.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030

33. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This grant is aligned with the following strategic directions and objectives:
  - (a) Direction 6 - Vibrant Local Communities and Economies - continuing the work to revitalise the City by promoting place-based activations to strengthen local precincts, seed micro-precincts, and regenerate the City's 24-hour economy through more music, events and performances.
  - (b) Direction 7 - A Cultural and Creative City - by stimulating creativity in the public domain and increasing avenues for creative participation, the creative community will be supported as well as providing opportunities for the public to participate in these events.

### Organisational Impact

34. The funding for this grant has been made available through the reallocation of unspent funding from other programs within the 2021/22 financial year grants budget. Funding for the program includes funding for the resources and staff to deliver the program.

### Risks

35. Operational risks associated with implementing the proposed new grant are considered to be low and have been explored by City staff. There has been internal consultation with staff across areas of the City and further consultation and consideration will be given to the operational impact of implementing the program during the exhibition period.

## Economic

36. The pandemic has had severe impact on the city and the economy. The impact of the lockdowns and current uncertainties due to the Covid-19 Omicron variant is particularly significant in our local area due to the high number of hospitality businesses. As restrictions change due to ongoing impacts of the pandemic, it is important to continue the work to revitalise the local government area. This program aims to encourage visitors back to the city, helping businesses to survive in the short-term and creating opportunities for them to thrive in the long term.

## Financial Implications

37. In July 2021, Council requested the Chief Executive Officer develop a grant program for delivery of an additional \$4 million to support business and creatives in the recovery of the city economy, including \$300,000 for resources to administer the program and \$700,000 estimated revenue forgone through waiving of fees for this program.
38. Funding for the \$3 million cash component of the grant program has been made available through the reallocation of unspent funding from other programs.
39. Approximately 75-90 per cent of the \$3 million of additional grants are anticipated to be paid out in the current (2021/22) financial year. The \$3 million budget transfer in the 2021/22 financial year, arising from unspent funding from other programs, will also include the additional \$100,000 of Community Emergency Quick Response Grants and \$250,000 in food donations endorsed by Council at the November 2021 meeting.
40. As a result of the budget reallocation in 2021/22, no net increase is proposed to the City's grants budget for 2021/22 financial year.
41. The estimated \$700,000 impact of future revenue forgone from the waiver of City service and event hire fees will affect future financial years' results and will be reflected in the City's 2022/23 operating budget.

## Relevant Legislation

42. In accordance with Section 160(1) and (2) of the Local Government Act 1993, these draft guidelines will be placed on public exhibition for 28 days and any submissions up to 42 days will be considered when finalising the grant guidelines.
43. Section 356 of the Local Government Act 1993 provides that a council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions.
44. As part of the NSW Local Government Act 1993 and Integrated Planning and Reporting requirements, the City is required to exhibit changes to its grants program.

### Critical Dates / Time Frames

45. The anticipated time frame for public exhibition, consultation, revision and adoption of the new Precinct Activation Guidelines and Operational Plan 2021-22 addendum is as follows:

21 February 2022	Council Meeting (approval to exhibit)
22 February - 22 March 2022	Public Exhibition Period
Late March - early April 2022	Review of submissions
11 April 2022	Council Meeting (approval and adoption)
12 April 2022	Implementation
16 May 2022	Recommended Grants for Council Approval
June 2022- June 2023	Grant programming period

### Public Consultation

46. The Precinct Activation Guidelines will be placed on public exhibition for at least 28 days, in accordance with the requirements of section 160 the Local Government Act 1993. The related documents will also be placed on public exhibition in conjunction with the Precinct Activation Guidelines, including the Operational Plan 2021/22 addendum, to assist the public in understanding the proposed grant program.
47. A report on the outcomes of public consultation and feedback on the guidelines will be provided with the final draft of the Precinct Activation Guidelines for adoption by Council.

### EMMA RIGNEY

Director City Life

Alana Goodwin, Grants Program Coordinator

# **Attachment A**

## **Draft Precinct Activation Grant Guidelines**



# Precinct activation grant guidelines

February 2022

## Precinct activation grant guidelines

Front page: York Clarence Kent (YCK) Laneways Festival at Since I Left You

Photography credit: Cassandra Hannagan, 2021

# Precinct activation grant

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## Purpose

This grant encourages collaborative partnerships between businesses, creatives and communities that renew and transform our city centre, local precincts and neighbourhoods.

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## Overview

This grant program encourages precinct-based collaborations between businesses, creative producers, cultural operators and community groups.

Funding can be used for new initiatives, activations and events, or to strengthen and adapt existing partnerships and programs.

These collaborations will be designed to activate businesses, public places and vacant retail and commercial space with cultural programming.

Applications must be lodged by a lead applicant and include collaborating businesses, creatives or cultural operators. Activations must take place in the City of Sydney area.

The City of Sydney is interested in supporting precincts in the city centre, Haymarket and inner-city local neighbourhoods within the City of Sydney area.

Precincts can be big or small. They are created when local businesses near each other collaborate to activate and enliven their area.

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## Key dates

- Applications open: 22 February 2022
- Applications close: 11 April 2022

- Project timeframe: 1 June 2022 to 30 June 2023
- Recommendations to Council: May 2022

Applicants can meet potential collaborators at a briefing session about this program in early 2022.

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## Funding available

Cash funding from \$100,000 to \$300,000 and value-in-kind venue and banner pole hire is available for precinct-based collaborations.

These will aim to foster strong precinct brands and encourage programmed activities in the city centre, local precincts and neighbourhoods.

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## Funding priorities

We will prioritise precinct-based activations that show:

- collaborations with Aboriginal and Torres Strait Islander run businesses, creatives, community-controlled organisations, and networks
- strengthened local precinct and neighbourhood identity
- creative activation of public spaces, business precincts and local neighbourhoods
- paid opportunities for local creatives
- collaborations between local businesses and local creatives to enliven the city
- promotion of local economies for the benefit of local businesses, creatives, residents and visitors

- increased visitors to the city centre, local precincts and neighbourhoods
- coordinated precinct leadership to support ongoing collaborations and activations
- plans to evaluate and monitor outcomes for the precinct in the short to medium term.
- inclusion of a clear project plan including secured partnerships and marketing/promotional plans
- evidence of a realistic budget with appropriate resourcing, including payment of creative personnel where applicable
- supporting documentation from a minimum of five collaborating businesses and other project partners
- evidence of pre-application discussions with the City of Sydney, including outdoor events or planning assessment teams as required
- clearly defined project proposals that identify activation locations in the city centre, local precincts and/or neighbourhoods.

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## Expected program outcomes

Precinct-based activations must contribute to one or more of these outcomes:

- increase visibility and recognition of Aboriginal and Torres Strait Islander cultures
- strengthen the unique precinct identity and offering of the city centre, local precincts and neighbourhoods
- promote collaboration between local businesses, cultural operators and creatives in a local area
- support businesses by increasing visitors and spending in a local area
- strengthen connections between local businesses and their communities
- increase paid opportunities for local cultural and creative sectors including artists, musicians and performers.

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## Assessment criteria

Proposals are assessed against the funding priorities and expected program outcomes. The assessment panel will consider the lead applicants’:

- demonstrated collaboration with local businesses, creative and cultural operators and/or community groups
- evidence of direct benefit to local businesses, cultural and creative operators and local precincts and neighbourhoods
- evidence of the need for the project and proposed outcomes
- capacity and experience of the lead applicant to create successful activations at a precinct level

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## Eligibility

To be eligible an applicant must operate in the City of Sydney local area or be able to demonstrate benefits for the area’s residents, workers or visitors.

We particularly encourage applications from organisations, groups and networks that support Aboriginal and Torres and Strait Islander communities including Aboriginal businesses, community controlled organisations and networks.

The lead applicant may be a for-profit organisation, not-for-profit organisation or sole trader that is:

- a creative producer and/or agency
- an event manager
- a precinct coordinator.

Other project collaborators may include:

- a creative, retail, entertainment, tourism and accommodation or hospitality business
- a land owner wanting to activate vacant space
- a media agency
- an arts/cultural operator based in the City of Sydney local area
- a community group wanting to reinvigorate their local neighbourhoods.

Each application must have a lead applicant **plus** a minimum of 5 project collaborators located near each other.

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## Not eligible for funding

Funding will not cover:

- projects that directly contravene the eligibility and ethics framework or existing City of Sydney policies
- capital expenditure over \$20,000 (equipment up to a cost of \$20,000 may be eligible)
- permanent staffing costs or ongoing operational costs.

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## How to apply

One application will be required for each collaboration, with funds allocated to the lead applicant. Proposals must identify a **lead applicant** and **project collaborators**.

### Lead applicant

The lead applicant must lodge the application, sign the funding agreement and report project outcomes on behalf of all project collaborators.

The lead applicant will be responsible for activities such as:

- concept development and delivery
- coordinating collaborating businesses/organisations
- any public space activations
- liaising with the City of Sydney or any other relevant land owners or authorities for approvals
- coordinating marketing and media partners
- collecting data and project reporting
- coordinating and paying suppliers and/or contractors.

To apply, the lead applicant will need to provide a detailed project plan and budget outlining the activities as part of the collaboration, the time allocated to each activity, and the allocation of funds. Letters of support from collaborating businesses or organisations will also be required.

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## More information

If you are planning to hold your activation at a City of Sydney managed outdoor space please review the [Fees and charges for outdoor venue hire](#) and contact the Outdoor Venue Management Team via email [openspacebookings@cityofsydney.nsw.gov.au](mailto:openspacebookings@cityofsydney.nsw.gov.au).

For more information on our grants and sponsorships see [cityofsydney.nsw.gov.au/grants-sponsorships](http://cityofsydney.nsw.gov.au/grants-sponsorships).

You can also email [communitygrants@cityofsydney.nsw.gov.au](mailto:communitygrants@cityofsydney.nsw.gov.au) or call 02 9265 9333.



# **Attachment B**

**Draft Operational Plan 2021/22 - Addendum**

# Operational Plan 2021/22 - Addendum



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Extended Grants and Support Program	6

Cover image: Sydney Park Wetlands

# Introduction

The Covid-19 pandemic has had a significant and devastating impact on our communities and our economy. The City of Sydney responded swiftly when the pandemic first hit, closing community centres, libraries, pools and playgrounds, increasing cleansing and waste regimes and establishing new grants programs to help support our creative community sector and small businesses.

As a health crisis, the response has been generally well managed in NSW and Australia. However, although workers and visitors are returning to the city, the CBD is quieter than before and this continues to significantly impact businesses.

The City's actions throughout 2020 and ongoing are intended to complement the stimulus and support measures of the State and Federal Governments and to leverage the resources of Council to ensure the safety and survival of our business, cultural and community sectors.

Stimulus and support packages implemented by the Federal and State Governments during 2020 provided urgently required access to income support through the bolstered Jobseeker allowance and other benefits.

In 2020 the City implemented a support and stimulus package to support businesses, our cultural and creative industries and our community.

The measures were implemented in two phases with an estimated value of \$72.5 million. They were designed to enable organisations and businesses to adapt to a rapidly evolving context, to support their resilience so they are well positioned to bounce back, and to use our own resources to generate employment and provide relief to those most affected.

## 2020 Support Measures - Phase One

The City of Sydney's initial package put forward on 9 March 2020 and endorsed by Council on 30 March 2020 was valued at up to \$25 million. It included the following measures which were to be in place for an initial period of six months:

- a. waiving fees for Health and Building compliance activities;
- b. reviewing rents in conjunction with tenants in City premises for those tenants that require support on a case-by-case basis;
- c. waiving standard contractual terms and return venue booking and banner fees to people and organisations who have booked City of Sydney venues and banners and are now unable to proceed with their bookings;
- d. waiving footway dining, market permit and filming fees on the grounds of hardship; and
- e. a flexible approach to parking and other infringements.

The City also worked with our major business partners and contractors to support them as much as possible to maintain business continuity in the long term.

The City implemented policy changes in addition to the financial support including:

- working with businesses to facilitate the expansion of their outdoor dining areas to enable social distancing and enable them to increase or introduce take away food options;
- only taking enforcement action for matters that present an imminent public, environmental, health or safety risk; and
- enabling supermarkets and other stores to operate their loading docks 24 hours a day so that essential goods can be delivered.

## 2020 Support Measures - Phase Two

Phase Two of the City's support measures significantly expanded the initial measures with a second package of financial support valued at up to \$47.5 million. Phase Two was endorsed at an extraordinary council on 30 March 2020 and included the following actions:

- a. establish a cultural sector resilience grants program to provide support to the not-for-profit organisations and sole traders working in the cultural sector;
- b. direct donations to locally operated sector led funds, Support Act NSW, Artists Benevolent Fund and Actors Benevolent Fund, to provide emergency relief and mental health support to local cultural workers in crisis;
- c. establish a creative fellowships grants program to support artists;
- d. establish a small business grants program to assist businesses with innovation and adaptation;
- e. establish a small business, creative and community concierge service to assist small businesses, not-for-profits and charity groups to access support available to them via the city, state or federal governments;
- f. establish a community hotline that handles inquiries and provides concierge services to residents and community groups seeking information and support;
- g. bring forward future years capital works projects;
- h. provide additional rental support for our Accommodation Grant Program tenants and childcare services by waiving all rent for the next six months;
- i. amend the draft Central Sydney Development Contributions Plan 2020 to adopt a sliding scale for developer contributions;
- j. increase the Quick Response Grants and the Community Support Grants programs; and
- k. make a direct donation to Oz Harvest to maintain staffing levels and adapt their service model to meet food security needs of vulnerable communities.

In addition to the above, grant recipients were permitted to vary their deliverables under existing grants for the next six months to enable recipients to retain those funds to support the continuing viability of the City's cultural and creative community. Grants may have been allocated over multiple financial years.

Additionally, Council approved a \$35 million budget variation to increase the Chief Executive Officer (CEO) contingency to allow allocation of this funding to the appropriate operational budget within the adopted 2019/20 operational budget, in order to achieve a revised operational result of \$77.9 million, and a net operating result of \$1.5 million.

The City also worked with our major contractors to provide a range of support and assistance measures.

### Community Recovery Plan

In June 2020 we expanded on our initial Covid-19 response and developed a Community Recovery Plan to give direction to how we'll work in partnership with our communities, businesses, the NSW Government and other local governments. The plan supports economic and social recovery in the local area.

Key goals of the City's Covid-19 Community Recovery Plan include working together with the NSW Government where actions must be coordinated, supporting businesses and organisations to adapt, rebuilding the visitor economy, prioritising the role of the cultural sector and safely managing public spaces to support community life and businesses.

Both the NSW Government and the City have recognised the need for a collaborative effort to encourage people back into the city in a safe way. This opportunity was identified and supported at the NSW Government Summer Summit in mid-September 2020 where the 24-Hour AI Fresco City program was proposed.

## **AI Fresco City**

On 2 October 2020, the City and NSW Government announced a \$20 million joint funding partnership to boost the city centre economy, support businesses and creatives and invite the public safely back into the city, particularly during the summer months.

The NSW Government committed up to \$15 million and the City provided a further \$5 million towards AI Fresco City initiatives. \$4.3 million of this funding program is being delivered through grants administered by the City.

This partnership and funding commitment align with the objectives of our Community Recovery Plan. The AI Fresco City program is in line with these community recovery plan objectives.

It is vital that the City promote a safe, inclusive and welcoming city to enable a swift road to recovery for the benefit of the community. The most severely impacted sectors of the economy are those with a high concentration in the CBD including hospitality, tourism, retail and creative industries, all of which require an activated and enlivened city to aid recovery.

The AI Fresco City program includes the following initiatives:

- a. transforming the city into an outdoor summer cultural experience;
- b. creating a summer of outdoor dining;
- c. funding projects that enliven public spaces, venues, laneways with music, performance and public art;
- d. keeping Sydney's cultural institutions open into the evenings, and
- e. working with Destination NSW to promote this activity to Sydney and interstate visitors.

# Extended Grants and Support Program

The City of Sydney's Grants and Sponsorship Program supports initiatives and projects that build the social, cultural, environmental and economic life of the city. The City seeks to optimise the use of public funds through effective and efficient grant processes, and clear grant program objectives linked to the organisation's strategic goals.

In 2020/21 the City responded to global pandemic with a new Covid-19 grants program to help support our creatives, community sector and small businesses. In 2021/22, the City's Grant and Sponsorship program has aligned to the Community Recovery Plan to better address emerging community issues and to support economic, cultural and social recovery in our city.

In July 2021 in response to the ongoing lockdown, Council approved funding donations of \$700,000 to provide food relief to vulnerable communities and \$250,000 in new Community Emergency Quick Response Grants for not for profit entities to deliver community services addressing urgent community needs as they arise. These activities were funded from a transfer of \$950,000 from the General Contingency funds which was approved at this same Council meeting.

In November 2021 in response to the ongoing lockdown, Council approved funding donations of \$250,000 to provide food relief to vulnerable communities and \$100,000 in new Community Emergency Quick Response Grants for not for profit entities to deliver community services addressing urgent community needs as they arise. These activities were funded from a reallocation of unspent funds from other programs.

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## Precinct Activation grant

In July 2021, Council also requested the CEO develop a grant program for delivery of an additional \$4 million to support business and creatives in the recovery of the city economy (including \$300,000 for resources to do so and \$700,000 estimated waving of fees as revenue forgone through this program).

The new Precinct Activation grant program will focus on funding projects that promote place-based activations, strengthen local precincts, seed micro-precincts, and regenerate the City's 24-hour economy.

Each application must have a lead applicant plus a minimum of five project collaborators located near each other. The lead applicant may be a for-profit organisation, not-for-profit organisation or sole trader that is:

- a creative producer and/or agency
- an event manager
- a precinct coordinator.

The Precinct Activation grant guidelines were developed in consultation with key stakeholders including the Nightlife and Creative Sector Advisory Panel, local business chambers, industry associations and the community.

The funding for this grant has been made available through the reallocation of unspent funds from other programs. Therefore, no cash or value-in-kind increase is required for the Grants Program Budget.

## Grants Program Summary

### Current grants program 2021/22\*

Cash	\$15.10M	
Value-in-kind	\$7.30M	(includes Accommodation grant program + banners + venues)
	<b>\$22.4M</b>	

### Proposed revised grants program 2021/22\*

Cash	\$15.10M	
Increase approved at July 2021 Council – cash	\$0.95M	For Community emergency quick response grants and Food relief donations funded from General Contingency
Value-in-kind	\$7.30M	(includes Accommodation grant program + banners + venues)
	<b>\$23.35M</b>	

### Reallocations approved at November 2021 Council – cash\*

Community Emergency Quick Response grants and Food relief donations	\$0.35M	Funding in 2021/22 via reallocation of unspent funds from other programs.
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### Reallocations proposed at February 2022 Council – cash\*

Reallocation of unspent funds from other programs	(\$3.00M)	Funding in 2021/22 via reallocation of unspent funds from other programs.
Precinct Activation grant	\$2.65M	Funding in 2021/22 via reallocation of unspent funds from other programs.

\*grants may be allocated over multiple financial years – the anticipated impact on future years' operating budgets will be reflected in the 2022/23 Operational Plan and Long Term Financial Plan.

## Grants programs names and proposed budgets

### Cash

- Cultural and creative grants and sponsorship – \$1,300,000
- Festivals and events sponsorship – \$4,397,486
- Business support grant - \$780,000
- Commercial creative and business events sponsorship – \$655,000
- Environmental performance grants – \$850,000
- Community services grant – \$1,145,107
- Affordable and diverse housing fund – \$3,000,000
- Matching grant – \$340,000
- Knowledge exchange sponsorship – \$725,000
- Quick response grant – \$20,000
- Other grants and major homelessness support, food relief donations and precinct activation grants – \$5,885,000

### Value-in-kind

- Accommodation grant – \$5,894,806
- Creative Spaces grant – \$114,400
- Short term empty properties grant – no budget required
- Venue hire support grants and sponsorship – \$780,000
- Street banner sponsorship – \$480,000

Note: while some programs are open to for profit organisations, the total funding provided to such entities will not exceed 5% of the City's forecast for ordinary rates this year.

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## New Covid-19 Recovery Grants and Sponsorship Summary

Precinct Activation Grant	
<b>Purpose</b>	\$3 million to support economic recovery by bringing businesses and creatives together to activate businesses, public domain and vacant corporate space in the CBD with cultural programming.
<b>Funding</b>	From \$100,000 to \$3000,000 cash per application. Also includes additional value-in-kind fee waiver support for street banners and landmark venues.
<b>Eligibility</b>	For-profits, not-for-profits or sole traders.

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## **Attachment C**

**26 July 2021 Resolution of Council and  
Report - Support for Our Community – 2021  
Lockdown Response**

## Resolution of Council

**26 July 2021**

### **Item 10**

#### **Support for Our Community - 2021 Lockdown Response**

Moved by the Chair (the Lord Mayor), seconded by Councillor Scully –

It is resolved that:

- (A) Council approve the continuation of fee waivers and note the potential revenue foregone for the lockdown period, at an estimated value of \$7.8 million per month;
- (B) Council approve funding donations of:
  - (i) \$300,000 to OzHarvest Limited;
  - (ii) \$300,000 to Foodbank NSW & ACT Limited; and
  - (iii) \$100,000 to SecondBite
 to provide food relief to vulnerable communities;
- (C) the Chief Executive Officer be requested to explore further options for providing food relief to vulnerable communities;
- (D) Council approve funding of up to \$50,000 to supply and distribute masks to vulnerable communities and to increase communication to connect people with mental health and social connection support services;
- (E) Council approve an additional \$250,000 in new Community Emergency Quick Response Grants for not for profit entities to deliver community services addressing urgent needs as they arise;

- (F) authority be delegated to the Chief Executive Officer to finalise grant criteria, advertise for applications as appropriate and approve the Community Emergency Quick Response Grants due to the emergency need, and to report back on grants awarded by way of CEO Update;
- (G) Council approve the transfer of \$1.0 million from General Contingency funds to fund the initial phase of the recovery package, and note the balance of funding will be determined as the City gains a better understanding of the financial and operational impacts of the current lockdown, to refine and bring back its financial recovery plan to Council;
- (H) the Chief Executive Officer be requested to develop an appropriate grant program for delivery of an additional \$4 million to support business and creatives in the recovery of the city economy (including funding for resources to do so), with the proposed program to be reported back to Council;

### **CBD Revitalisation Fund**

- (I) Council approve a variation to the CBD Revitalisation Fund contract with NSW Treasury to extend the term of the program by 11 months until 30 September 2022;
- (J) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the variation to the CBD Revitalisation Fund agreement;
- (K) authority be delegated to the Chief Executive Officer to make any further variations to the CBD Revitalisation Fund contract to enable the implementation of activities as outlined in this report, with such changes to be reported by way of a CEO Update;

### **Outdoor Dining**

- (L) Council adopt the temporary changes to City of Sydney Outdoor Dining Guidelines, June 2021, as shown at Attachment A to the subject report, noting the temporary changes will apply until 30 June 2022 across the whole of the local government area and public consultation has not been possible given the circumstances;
- (M) authority be delegated to the Chief Executive Officer to make any further temporary changes to the Outdoor Dining Guidelines for the duration of the program to enable the implementation of activities as outlined in this report, with such changes to be reported by way of the CEO Update; and
- (N) authority continue to be delegated to the Chief Executive Officer to, by notice on the City's website, approve the use of roads, footways and public open spaces for outdoor dining, extension of foyer space and performance space under Part 12 of the Liquor Act 2007 in accordance with the requirements of that Act, with such delegation to apply until 30 June 2022;

## **Advocacy**

- (O) Council call upon the Federal Government to:
  - (i) reinstate JobKeeper for those businesses affected by lockdowns directed at controlling the spread of Covid-19;
  - (ii) extend existing Covid disaster payments to persons in receipt of Commonwealth benefits; and
  - (iii) reinstate the Coronavirus supplement for persons receiving Commonwealth benefits in areas affected by lockdowns.
- (P) the Lord Mayor be requested to write to the Prime Minister and the Treasurer advising that Council calls upon the Federal Government to take the actions outlined in (O) above.

The motion, as varied by consent, was carried unanimously.

X034972.14

**Item 10****Support for Our Community – 2021 Lockdown Response****File No: X034972.14****Summary**

On 28 June 2021, Council requested that the Chief Executive Officer monitor the current Covid-19 outbreak across Greater Sydney and investigate whether other assistance measures are needed as the situation evolves.

The extended lockdown across Greater Sydney is having a devastating impact on the local economy and community. On 13 July 2021, the State and Federal government announced a joint NSW Covid-19 Support Package with \$4.1 billion from the NSW Government to provide immediate financial relief for businesses and \$500 million each week from the Commonwealth Government. This included specific support for the heavily impacted arts sector worth \$75 million and \$26 million for the tourism sector, and \$17 million in mental health support.

The City is committed to providing complementary support and since the onset of the pandemic, two City business support packages valued at \$72.5 million have been implemented focusing on local government responsibilities including fee waivers for footway dining, venue and banner hire, childcare services, parking services, rent relief in City-owned properties, grant funding for businesses and donations to support vulnerable communities. In October 2021, the City and NSW Government established a \$20 million CBD Revitalisation Fund to boost the local economy (refer Table 1 for summary).

**Lockdown Recovery Package**

The City will again support businesses, the creative sector and vulnerable communities with a phased Lockdown Recovery Package worth \$5 million along with an additional \$7.8 million in estimated revenue forgone and fee waivers per month for the lockdown period (refer Table 2 for summary). The package will include \$5 million to support economic and social recovery from the lockdown comprising of:

- Immediate support through donations of \$300,000 each to OzHarvest Limited and, Foodbank NSW & ACT Limited, along with \$100,000 for SecondBite to allow vulnerable communities to access food.
- An additional \$250,000 in new Community Emergency Quick Response Grants will support services to address community needs that arise from lockdown.
- The supply and distribution of masks to vulnerable communities at a cost of \$50,000 and increased communication to connect people with mental health and social connection support services.

- The Chief Executive Officer to develop a proposal for further grants to be provided directly to businesses and the creative sector to collaborate on initiatives to support reactivation post lockdown, as well as the resources to do so, with a recommended total of \$4 million including funding the resources to do so.

### **CBD Revitalisation Fund**

Coming out of this current lockdown, it will be important for the City to continue its work to revitalise the CBD and support our village main streets. This includes a commitment, together with NSW Government, to extending the successful outdoor dining program across the local government area until end June 2022. To date this program has enabled businesses to trade more safely outdoors and provide opportunities to increase their turnover. This will be more important than ever when hospitality businesses reopen and seek to attract patrons and continue to operate in a Covid-safe manner through the coming spring and summer period. This report recommends Council approve a variation to the CBD Revitalisation Fund contract with NSW Treasury signed 28 October 2020 to extend the term of the program by 11 months from 30 October 2020 to 30 September 2022, allowing for a three-month removal of outdoor dining infrastructure.

### **Outdoor Dining Guidelines**

On 17 May 2021, Council resolved to continue the fee waiver for outdoor dining across the local government area until 30 June 2022 valued at \$3.5 million. Extension of the outdoor dining program will also require Council to extend the temporary changes to the Outdoor Dining Guidelines which was endorsed on 26 October 2020 to be in place until 31 October 2021. This report seeks Council approval to extend the temporary changes in line with the extended timeframe for the fee waivers until 30 June 2022 (refer Attachment A).

## Recommendation

It is resolved that:

### Lockdown Recovery Package

- (A) Council approve the continuation of fee waivers and note the potential revenue foregone for the lockdown period, at an estimated value of \$7.8 million per month;
- (B) Council approve funding donations of:
  - (i) \$300,000 to OzHarvest Limited;
  - (ii) \$300,000 to Foodbank NSW & ACT Limited; and
  - (iii) \$100,000 to SecondBiteto provide food relief to vulnerable communities;
- (C) Council approve funding of up to \$50,000 to supply and distribute masks to vulnerable communities and to increase communication to connect people with mental health and social connection support services;
- (D) Council approve an additional \$250,000 in new Community Emergency Quick Response Grants for not for profit entities to deliver community services addressing urgent needs as they arise;
- (E) authority be delegated to the Chief Executive Officer to finalise grant criteria, advertise for applications as appropriate and approve the Community Emergency Quick Response Grants due to the emergency need, and to report back on grants awarded by way of CEO Update;
- (F) Council approve the transfer of \$1.0 million from General Contingency funds to fund the initial phase of the recovery package, and note the balance of funding will be determined as the City gains a better understanding of the financial and operational impacts of the current lockdown, to refine and bring back its financial recovery plan to Council;
- (G) the Chief Executive Officer be requested to develop an appropriate grant program for delivery of an additional \$4 million to support business and creatives in the recovery of the city economy (including funding for resources to do so), with the proposed program to be reported back to Council;

**CBD Revitalisation Fund**

- (H) Council approve a variation to the CBD Revitalisation Fund contract with NSW Treasury to extend the term of the program by 11 months until 30 September 2022;
- (I) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the variation to the CBD Revitalisation Fund agreement;
- (J) authority be delegated to the Chief Executive Officer to make any further variations to the CBD Revitalisation Fund contract to enable the implementation of activities as outlined in this report, with such changes to be reported by way of a CEO Update.

**Outdoor Dining**

- (K) Council adopt the temporary changes to City of Sydney Outdoor Dining Guidelines, June 2021, as shown at Attachment A to the subject report, noting the temporary changes will apply until 30 June 2022 across the whole of the local government area and public consultation has not been possible given the circumstances;
- (L) authority be delegated to the Chief Executive Officer to make any further temporary changes to the Outdoor Dining Guidelines for the duration of the program to enable the implementation of activities as outlined in this report, with such changes to be reported by way of the CEO Update; and
- (M) authority continue to be delegated to the Chief Executive Officer to, by notice on the City's website, approve the use of roads, footways and public open spaces for outdoor dining, extension of foyer space and performance space under Part 12 of the Liquor Act 2007 in accordance with the requirements of that Act, with such delegation to apply until 30 June 2022.

**Attachments**

**Attachment A.** City of Sydney Outdoor Dining Guidelines July 2021

## Background

1. The Covid-19 pandemic continues to impact the local economy and community and the City is committed to providing ongoing support for those impacted across the local government area, including businesses, creatives and vulnerable communities.
2. In March and April 2020, the City announced two Covid-19 Relief support packages valued at \$72.5 million to complement the support of State and Federal Government.
3. The City's first Business, Arts and Creative package, valued at \$25 million, included:
  - (a) Waiving fees for Health and Building compliance activities;
  - (b) Reviewing rents in conjunction with tenants in City premises;
  - (c) Waiving banner and venue fees to organisations who had to cancel events;
  - (d) Waiving footway dining, market permit and filming fees on the grounds of hardship; and
  - (e) A flexible approach to parking and other infringements.
4. The City subsequently expanded this package with an additional set of measures valued at \$47.5 million including rent relief in City owned properties, an accelerated capital works program and a Covid-19 Relief Grants Program valued at \$10.67 million which was created to provide urgent financial assistance to the City's cultural and creative, small business and community sectors.
5. The initial package included direct financial support of \$3.95 million for local and vulnerable small businesses and arts enterprises to innovate and adapt, foster business continuity and increase business capabilities.
6. It also provided support for vulnerable communities through a \$1 million donation to OzHarvest Limited and a further \$1.96 million in grants to respond to issues of food security, digital inclusion, social isolation, tenancy support and homelessness services.
7. A dedicated City Concierge service was also set up to ensure enquiries from businesses received tailored advice relating to the City grants offering and information on how to pursue support from other levels of government.
8. On 26 October 2020, Council resolved to approve the joint \$20 million CBD Revitalisation Fund partnership between the City and NSW government to boost the city centre economy, support businesses and creatives and invite the public safely back into the city, with the NSW Government contributing up to \$15 million and the City contributing up to \$5 million as outlined in the subject report.
9. An agreement between the City and NSW Treasury to give effect to a number of the resolutions as part of a CBD Revitalisation Fund was signed on 28 October 2020.
10. Key initiatives were implemented over nine months adhering to NSW Health Orders and were well-received by community and business, as outlined below:
  - (a) Transforming the city into an outdoor summer cultural experience;
  - (b) Creating a summer of outdoor dining;

- (c) Funding projects that enliven public spaces, venues, laneways with music, performance and public art;
  - (d) Keeping Sydney's cultural institutions open into the evenings; and
  - (e) Working with Destination NSW to invite people back to the city centre.
11. Table 1 outlines City contributions to date to support business and vulnerable communities impacted by the pandemic across the local government area.

Item	\$ Amount	Timing
Covid Relief Packages Covid Relief Grants Accelerated capital works Rent relief in City owned properties Fee waivers e.g. footway dining, venues, banner hire, childcare, parking income	\$72.5 million	March 2020 onwards
CBD Revitalisation Fund	\$20 million partnership with NSW government City contribution \$5 million State contribution \$15 million	October 2020 and to be extended until end September 2022

Table 1 – City Contributions

### Business Needs Survey

12. In May 2021, the City conducted the latest Covid-19 Business Needs Survey to understand business needs and priorities 12 months after the first survey in May 2020. The survey was live 31 May to 21 June 2021, receiving more than 500 responses from businesses across the local government area.
13. The responses provide insight into business needs right before the current Sydney lockdown as businesses were asked what support they needed most over the next 12 months, which they ranked in order of priority as follows: (1) financial support, (2) marketing and promotion, (3) clear and ongoing communication of ongoing support available for small business, (4) less red tape and regulation, (5) advocacy for business support across levels of government and industry, and (6) events and activation of local precincts.

14. The top need for businesses was the same as in May 2020, with financial support number one, especially to cover costs like rent and wages, followed by marketing and promotion to bring people back into the streets when restrictions allow.
15. In response to the lockdown announced on 26 June 2021, and subsequently extended and expanded, the City has reviewed business feedback and the support available for businesses at a State and Federal level to identify gaps where support can be provided by local government.

### **State and Federal Government Support**

16. On 25 March 2021, the NSW Government announced a \$51.5 million economic package for the visitor economy including specific sector support packages for live music, business events and tourism.
17. In early June 2021, further support was announced including \$50 million for the Thank God Its Friday campaign to encourage workers to return to the office on Friday and \$200 million over four years to secure future major events to rejuvenate the visitor economy as part of the State Significant Event Fund.
18. On 29 June 2021, the NSW Government announced direct cash support for small businesses impacted by the lockdown in the form of a Small Business Covid-19 Support Grant of up to \$10,000 for small businesses who can show a decline in turnover experienced during the restrictions, as well as changes to the Dine and Discover vouchers so they can be used for takeaway and a further one-month extension until 31 August 2021 to allow people more time to use them.
19. The Federal Government Covid-19 Disaster Payment was also made available to City of Sydney residents from 4 July 2021, providing a lump sum payment to help workers unable to earn income due to lockdown restrictions which extend for more than seven days.
20. On 13 July 2021, the State and Federal Governments announced a NSW Covid-19 Support Package with \$4.1 billion from State to provide immediate financial relief for businesses and \$500 million each week to support individuals from the Federal government. The packages are designed to work together to protect business, keep jobs and support the community and include:
  - (a) Increased small business support payments of up to \$15,000 from 19 July 2021 which can be used for expenses such as rent, utilities and wages;
  - (b) JobSaver Employee Retention Scheme to maintain employment of staff;
  - (c) Microbusinesses Grants to support small business or sole traders with annual turnover of more than \$30,000 and under \$75,000 from late July 2021;
  - (d) Commercial, retail and residential landlords now required to participate in mediation before taking actions to evict or lock out tenants and up to 100 per cent land tax concessions if they provide rent relief to tenants;
  - (e) A \$75 million support package for Performing Arts sector and \$26 million support package for the Accommodation sector;

- (f) Tax relief with payroll tax deferrals for all businesses and a 25 per cent concession for businesses with Australian wages of between \$1.2 million and \$10 million that have experienced a 30 per cent decline in turnover;
- (g) Increased payments from \$500 to \$600 per week for those who lost more than 20 hours of work and \$375 for those who lost between eight and 20 hours of work;
- (h) \$17.35 million in mental health support targeted at young people and Culturally and Linguistically Diverse communities; and
- (i) \$12 million in additional funding for temporary accommodation for those at risk of or experiencing homelessness.

### **Lockdown Recovery Package**

21. The City will support businesses, the creative sector and vulnerable communities with a phased Lockdown Recovery Package worth \$5.0 million, plus an additional \$7.8 million in revenue forgone and fee waivers per month for the lockdown period.
22. Donations of \$300,000 each will be given to OzHarvest Limited and Foodbank NSW & ACT Limited, along with \$100,000 to SecondBite to support these organisations to assist vulnerable communities to access food relief.
23. Over the next three months these donations will help to address increasing demand with decreased distribution points due to services closing their doors and provide an opportunity for collaboration between the three major suppliers to address logistical challenges and supply issues.
24. To avoid over-supply or duplication in one area, the City will consult with the three organisations on focussing their resources on the place-based protocol areas established through the City's food operations network. There are already established strong networks between the suppliers and the protocol groups.
25. To further support vulnerable communities, the City will also provide an additional \$250,000 in funding for new Community Emergency Quick Response Grants to support small scale initiatives which build the capacity of our communities to respond to the current impacts of the pandemic.
  - (a) Up to \$10,000 to eligible groups for not-for-profit organisations or unincorporated community groups.
  - (b) Applicants must operate within the City of Sydney local government area or be able to demonstrate benefits for the area's residents, workers and/or visitors.
  - (c) Applications are strongly encouraged from organisations, groups and networks that support Aboriginal and Torres and Strait Islander communities including Aboriginal community-controlled organisations and networks.
  - (d) Funding priorities include strengthening community cohesion to build the resilience of our local communities, increasing digital inclusion within our local community, reducing food insecurity and improving access to information on rights and conditions of tenants

26. The City will also supply and distribute masks to vulnerable communities at an estimated cost of \$50,000 and increase communications to connect people to mental health support and other social connection services depending on the individual need.
27. Included in the City's investment, the City will develop and present to Council a grant program which will provide funding to businesses and creatives to collaborate on initiatives which foster business connections and programming to enliven precincts post lockdown across the local government area.
28. These new grants will be available from early 2022 to continue the \$9 million pipeline of activations already funded by the City which will take place over the next six to 12 months as many organisers have not been able to find a suitable time or place to host events, given the uncertainty around health orders.
29. The City will also continue existing fee waivers for footway dining, venue hire, banners, parking services, childcare and health and compliance activities and work with tenants in City-owned properties on rent rebates for the lockdown period.
30. Table 2 outlines City contributions as part of the Lockdown Recovery Package

Item	\$ Amount (approx.)	Timing
Vulnerable communities support  Community Emergency Quick Response Grants (\$250,000)  Donations to OzHarvest, FoodBank and SecondBite to provide food relief (\$700,000)  Supply and distribute masks to vulnerable communities (\$50,000)	\$1 million	August 2021 onwards
Business support  Grant funding to support businesses and creatives  Promotion of program  Resources	\$4 million	From early 2022 onwards
Existing City grant programs to support economy, culture and community	\$8.9 million cash plus value-in-kind	Round 1 July 2021 Round 2 February 2022

Table 2.1 – City Contributions – 2021 Lockdown Recovery Package

Item	\$ Amount (approx.) Estimated value per month	Timing
Fee waivers for outdoor dining (as per CBD revitalisation agreement with State Government)	\$200,000	Until 30 June 2022
<i>Other fee waivers</i> Childcare	\$20,000	During lockdown period
<i>Estimated Revenue Foregone</i>  Rent relief City owned properties  Parking Related  Venue Hire/ Banner hire  Health and compliance	  \$1.0 million  \$5.7 million  \$700,000  \$150,000	During lockdown period
<b>Total (estimated value per month)</b>	<b>\$7.8 million</b>	<b>During lockdown period</b>

Table 2.2 – City Contributions – 2021 Lockdown Recovery Package (Estimated value per month)

### CBD Revitalisation Fund

31. In October 2021, the City and NSW Government entered into a joint partnership to revitalise the city centre, establishing a \$20 million CBD Revitalisation Fund to boost the local economy and invite the public back to the city.
32. The City and NSW government will continue this work by extending the outdoor dining program across the local government area until end June 2022.
33. The outdoor dining program was particularly successful in supporting businesses across the city to trade safely outdoors and provide opportunities to increase turnover. As of 30 June 2021, 339 applications have been received. Of those, 240 have been approved with 18 applications currently under planning assessment.
34. The program has received a positive response and made a tangible difference to business, with 90 per cent of businesses who responded to a recent survey stating the program had been beneficial or crucial for their business. 45 per cent reported employing an additional two or more staff per week, 41 per cent reported increasing staff hours by 10 hours or more per week and more than half (58 per cent) reported an increase in turnover of up to 10 per cent.

35. This report requests Council approve a variation to the CBD Revitalisation Fund contract with NSW Treasury signed 28 October 2020 to extend the term of the program by 11 months from 30 October 2021 to 30 September 2022, allowing for a three-month removal of outdoor dining infrastructure.
36. The overall contract value of \$20 million remains unchanged, however, funding allocations across the two financial years 2020/21 and 2021/22 has changed from the initial plans.

### **Outdoor Dining Guidelines**

37. The establishment of the outdoor dining program required close collaboration with multiple government agencies and delivered the following:
  - (a) Fast track criteria for quick approvals, moving to a simple online application form.
  - (b) Amendments to the Roads Act 1993 and the State Environmental Planning Policy (Exempt and Complying) Codes 2008.
  - (c) Amendments to the City's Outdoor Dining Guidelines to temporarily reduce the clearance for pedestrians to be consistent with the Australian Standard minimum, enable footway dining on reallocated roadway and reduce public consultation from 14 days to seven days, and allow later trading with reduced or no trial periods.
  - (d) Reduced notification from 56 days to seven days by consolidating the traffic (14 days), planning (14 days) and liquor licence (28 days) consultation periods into a single process.
  - (e) Support from the Local Pedestrian Cycling and Traffic Committee for reallocation of parking space for outdoor dining, with a three day out of session approvals process.
  - (f) Integration of liquor licencing into the planning assessment process, with licensing approval within three days of the City issuing the approval.
  - (g) Waiver of all fees and charges associated with outdoor dining.
38. On 17 May 2021, Council resolved to continue its partnership with the NSW Government by extending the fee waiver for outdoor dining until 30 June 2022.
39. To continue the temporary outdoor dining program for this period, it is recommended Council continue the temporary provisions in the Guidelines and adopt new temporary changes. The updated Guidelines are at Attachment A with deletions shown as strikethrough and additions shown in bold underline. The changes are proposed to be adopted without consultation given the timing and constraints of the program and will be in place until 30 June 2022. The temporary Guidelines are described below. An extension of the delegation to the Chief Executive Officer to make amendments to the Guidelines is also recommended.

**Existing temporary Guidelines related to notification of applications, the clear path of travel, trading hours and use of the roadway will continue until June 2022**

40. Consultation and notification: From October 2021 the notification period was reduced from 14 days to seven days in order to reduce application processing times. Currently, applications in Central Sydney are notified for comment if they are greater than 20 square metres in size. Applications outside Central Sydney are notified if they are greater than 10 square metres or the operating hours are outside 7am to 10pm. The average determination for outdoor dining applications to date has been 13.6 days noting this incorporates seven days of notification. It is recommended to continue the seven day notification period to 30 June 2022.
41. Clear path of travel: The minimum clear path of travel was temporarily reduced from 2 metres to 1.8 metres recognising the need for social distancing and the reduced number of pedestrians. 1.8 metres is consistent with the Australian Standards which also allows the clear path of travel to be decreased to 1.2m in parts if there are areas for pedestrians pass and the speed of the road is low. The temporary reduction of the clear path of travel is recommended to continue to 30 June 2022.
42. Trading hours: The temporary Guidelines allow maximum trading hours to be approved with reduced or no trial periods due to the length of the temporary approvals. It is recommended temporary trading hours provisions continue to 30 June 2022.
43. Reallocation of roadway for outdoor dining: the Temporary Guidelines support the reallocation of the roadway, allowing businesses to extend operations along the reallocated road space to provide additional outdoor dining opportunities and assist with social distancing. Outdoor dining on the roadway is required to be protected with barriers suitable to the speed limit on the road and the businesses cannot extend in front of another food and drink businesses. It is recommended the temporary Guidelines for the use of the roadway continue to 30 June 2022.

**Outdoor Dining Guideline - recommended updates**

44. Outdoor Dining Guidelines updates are recommended with temporary additional provisions for setbacks, criteria for use of the road and the extension of temporary approvals.

**500 mm setback - road reallocation**

45. At the Local Pedestrian, Cycling and Traffic Calming Committee meeting on 19 November 2020, the City presented an overview of the outdoor dining program. One of the initiatives included reallocating the road space to install an outdoor dining area. The Committee agreed to out-of-session endorsement for the temporary reallocation of kerb space for an outdoor dining area.
46. As part of due diligence, a road safety specialist was engaged to conduct road safety checks of the installed barriers at various locations. A recommendation was for all approvals to have furniture and structures offset by 500mm from the inside edge of barriers. This continues to be implemented and is recommended to be included in the Guidelines.

#### Criteria for road reallocations

47. Criteria for the use of the roadway was established in collaboration with NSW Police and Transport NSW. The City has communicated to applicants the criteria for road space that is unsuitable for reallocation to outdoor dining. It is proposed that the criteria be included in the Guidelines for clarity. Roadway areas not suitable for outdoor dining include:
- (a) Bus stops or bus zones;
  - (b) Roads with speed limits of more than 50km/h;
  - (c) Clearways;
  - (d) Parking for Australia Post, police, fire, ambulance or car share vehicles;
  - (e) No stopping zones;
  - (f) Separated bike paths; and
  - (g) In-road fire hydrants.
48. The Guideline includes considerations for other types of parking spaces which may or may not be suitable for reallocation to outdoor dining. Due to the complexity of the City's streets, applications will be assessed on a case-by-case basis considering the specific context of the site and location, parking restrictions, demand for parking and neighbouring businesses and road environment.
49. This report proposes two new circumstances for Council to consider revoking, suspending or amending an outdoor dining approval. These are where the business has not used the road area for outdoor dining for a period of 4 weeks following a request from the City to use the road area; or if the outdoor dining program is not being extended.

#### **Temporary outdoor dining program approvals will be extended to June 2022**

50. The City will streamline the extension of existing approvals granted under the temporary Guidelines. These approvals were intended to cease on 31 October 2021 but are proposed to be extended to 30 June 2022.
51. The existing process for renewing a permanent outdoor dining area requires the applicant to submit a renewal form before their Footway Approval lapses. If an applicant applies to renew the approval and no changes are proposed, an assessment is undertaken and a determination is issued, without the requirement for notification.
52. A streamlined process for the extension of existing temporary approvals will be developed if the program and guidelines are extended to 30 June 2022 as recommended.
53. The City will inform all businesses with approvals about the program extension and request confirmation of their interest to extend. Once confirmed and subject to investigation of any outstanding compliance matters, the City will reissue the approval with the extension to 30 June 2022. The City will notify neighbours, by letter, of any continued use of road space for outdoor dining.

54. The provisions in the Guidelines continue to require all new applications for outdoor dining to be notified for 7 days if the proposed area is over 20sqm in Central Sydney, over 10sqm outside of Central Sydney or it is proposed to trade later than 10pm.
55. New applications for reallocation of road space will also remain subject to the current process of seven days notification (concurrent with the outdoor dining notification), with endorsement by the Local Pedestrian, Cycling and Traffic Calming Committee obtained prior to determination.

#### **Temporary delegations to the Chief Executive Officer to make and amend guidelines is recommended to continue until June 2022**

56. This report also seeks the extension of two delegations from Council to the Chief Executive Officer.
57. In December 2020, Council resolved to grant two temporary delegations to the Chief Executive Officer. The first enabled the Chief Executive Officer to approve the use of roads, footways and public open spaces for outdoor dining, extension of foyer space and performance space under Part 12 of the Liquor Act. The second delegation allows the Chief Executive Officer to make temporary changes to the Outdoor Dining Guidelines and develop any necessary further guidelines to enable the implementation of CBD revitalisation objectives. Both delegations are recommended to be extended to 30 June 2022 to facilitate the implementation of these programs.

#### **Related changes to NSW Government legislation**

##### **SEPP (Exempt and Complying) 2008**

58. As part of establishing the program the City worked with Department of Planning, Industry and Environment to exempt pubs and small bars from requiring a development application to access outdoor dining to 31 October 2021. To continue this exemption, it is necessary that the NSW Government to extend cl 2.40B of the SEPP (Exempt and Complying) Provisions 20A Footpaths outdoor dining to June 2022.
59. The City understands the Department of Planning, Industry and Environment are investigating the extension of the clause beyond 31 October 2021. Pubs and small bars will be unable to extend the term of their outdoor dining approval beyond 31 October 2021 without a development application unless this amendment is implemented.

##### **Liquor Regulation 2018**

60. A temporary amendment made under the Liquor Regulation 2018 enabled an integrated liquor licencing and Council footway approval process possible. Clause 130B of the Liquor Regulation provides a temporary extension to the existing boundary of a liquor licence to cover the expanded or new outdoor dining area, which is approved within 3 days of receiving notification of Council's footway approval.
61. Liquor and Gaming NSW are investigating an extension of these provisions to June 2022 align with the City's extension of the outdoor dining program.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030

62. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This program is aligned with the following strategic directions and objectives:
- (a) Direction 5 - A Lively and Engaging City Centre - Continuing the work to revitalise the CBD will safely promote and activate the city centre post lockdown through more outdoor dining, live music, events and performances.
  - (b) Direction 6 - Vibrant Local Communities and Economies - Covid-19 has had a devastating impact on local communities and the economy. The new funding package for businesses and support for vulnerable communities will aim to boost the local economy and strengthen community resilience over the next year.
  - (c) Direction 10 - Implementation through Effective Governance and Partnerships - The City has formed a new and effective partnership with the NSW Government in order to deliver this program which is in line with the City's Community Recovery Plan goals.

### Organisational Impact

63. The business and creative recovery support includes funding for additional resources that will be needed to implement the new grants and the promotion of the activations.
64. The extension of the term of the outdoor dining program by 11 months will involve staff from across the City who will be extended in their positions to continue to implement the program. Identified staff will be responsible for leading and managing the specific initiatives, including reporting to the NSW Government.

### Economic

65. The pandemic has had severe impact on the city and the economy. The impact of the current lockdown is particularly significant in our local area due to the high number of hospitality businesses. As restrictions change due to ongoing impacts of the pandemic, it is important the work to revitalise the CBD continues. This program aims to safely encourage workers and visitors back to the city, helping businesses to survive in the short-term and creating opportunities for them to thrive in the long term.

### Financial Implications

66. The initial estimated cost of the City's support for business and the community was \$72.5 million with the financial impact of the pandemic expected to last approximately 6 months from March 2020. The 2020/21 budget was modified accordingly. The current financial year's results and forecasts, against the budget and the financial recovery plan, have been progressively reported to Council as part of the Quarterly reporting process. The Q4 report will further update Council, in detail, on the financial outcomes of the 2020/21 financial year.
67. An additional \$5 million is proposed to fund the support of businesses, the creative sector and vulnerable communities, as noted above, in response to the latest Covid lockdown.

68. The \$1 million of funds required for the immediate elements of the recovery package will be drawn from General Contingency. The balance of funding will need to be determined as the City gains a better understanding of the financial and operational impacts of the current lockdown
69. At this stage, the length and financial impact of the latest Covid lockdown remains very uncertain. However given the magnitude of the disruption to the City's operations and its financial situation, the City will need to reassess its financial recovery plan, which may include an adjustment to a number of Council programs and projects in the current financial year, with any adjustments to the timing and funding of programs to be the subject of future reports to Council.
70. The value of the CBD Revitalisation Fund contract remains unchanged at \$20 million, however the funding allocation across the two financial years 2020/21 and 2021/22 has changed from the initial plans.
71. The extension of the outdoor dining program to end June 2022 will involve a fee waiver for outdoor dining valued at \$3.5 million. The reduction in income as a result of the fee waiver has been incorporated into the draft the 2021/22 operating budget and the City's Long-Term Financial Plan.
72. It is estimated that the cost per month for fee waivers and revenue foregone as a result of the lockdown totals in the order of \$7.8 million, however the losses per month will vary due to differing demand levels assumed for each of the key services. The actual financial impacts upon the Council's financial situation will be reported progressively back to Council.

### **Relevant Legislation**

73. Liquor Act 2007
74. Liquor Regulation 2018
75. State Environmental Planning Policy (Exempt and Complying Codes) 2008
76. Roads Act 1993.
77. Section 356 of the Local Government Act 1993. Section 356 of the Local Government Act 1993 provides that a council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions.

**Critical Dates / Time Frames**

78. Urgent assistance is required by the community at this time given the significant impacts of the current public health situation and lockdown measures.
79. The outdoor dining program is due to finish on 31 October 2021. The review and re-issuing of approvals to extend to 30 June 2022 will need to be complete by this date.

**EMMA RIGNEY**

Director City Life

Lara Wolski, Manager City Business and Safety

Ben Pechey, Executive Manager Strategic Planning and Urban Design

Bob Wallace, Manager Financial Planning and Reporting

**BILL CARTER**

Chief Financial Officer

**Item 13.****Commercial Creative and Business Event Sponsorship – BESydney 2022-2023****File No: X017237****Summary**

The intention of the Commercial Creative and Business Events Sponsorship Program is to sponsor high-impact creative and business events that deliver economic impact for our city, provide opportunities for community and business participation on a broad scale as well as deliver initiatives that support the City's objectives and commitments in the Sustainable Sydney 2030 strategy.

National and international business events, including meetings, incentive travel reward programs, and conventions deliver significant tourism benefits for Sydney. They also enhance Sydney's position as a global city, encourage innovation and collaboration, trade and investment, and opportunities for the education sector.

An application has been received from Business Events Sydney Limited (BESydney). Financially supported and backed by the NSW Government, BESydney is a specialist bidding services organisation responsible for attracting domestic and global meetings to Sydney and NSW.

BESydney is seeking sponsorship from the City of Sydney of \$300,000 (excluding GST) per annum for two consecutive years (2021/22 and 2022/23) to a maximum value of \$600,000. This funding will enable BESydney to bid for and secure events taking place in Sydney from 2022 through to 2026.

The City has supported BESydney with sponsorship for the past eight years. Since 2014, BESydney has used City of Sydney funding to deliver 56 global meetings which have contributed over \$202 million in estimated direct expenditure to the NSW economy.

The proposal in this report has been assessed as contributing towards the City's commitments in the Economic Development Strategy, Tourism Action Plan and Community Recovery Plan. BESydney's application has also been evaluated against the Commercial Creative and Business Events Sponsorship program and is recommended.

## **Recommendation**

It is resolved that:

- (A) Council approve a cash sponsorship of \$300,000 (excluding GST) per annum for a two-year period (2021/22 and 2022/23) to a maximum value of \$600,000 (excluding GST), to support Business Events Sydney Limited in its ongoing activities to attract both domestic and global business events to Sydney; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer a sponsorship agreement with Business Events Sydney Limited.

## **Attachments**

Nil.

## Background

1. On 9 December 2013, Council adopted an Economic Development Strategy which aims to strengthen the city's economy and support business. The strategy sets out a course of action designed to build on the city economy's strong foundations for success; create opportunities for individuals, businesses and the community; and address the challenges that might limit Sydney's potential growth as a global city.
2. The strategy also identifies a number of priority industries or economic sectors for which detailed Action Plans have been developed, including the Tourism Action Plan.
3. The Tourism Action Plan recognises the important contribution of the tourism sector to the City's economy, as well as the need to strengthen partnerships to maximise visitation potential.
4. The City's Tourism Action Plan includes an action to support high-profile events and business conferences which attract visitors to Sydney and raise our city's profile internationally.
5. In June 2020, Council adopted the Community Recovery Plan which provides a roadmap for a staged approach to supporting the economic and social recovery of the city from the Covid-19 pandemic.
6. The plan aims to rebuild the visitor economy through the promotion of Sydney as a vibrant and safe city, and by providing more support for local businesses to adapt so that industries can evolve and grow.
7. Business conferences and events, including meetings, incentive travel reward programs, and conventions and exhibitions deliver benefits to Sydney's visitor economy. They are also key drivers of the knowledge economy, building on Sydney's position as a global city by encouraging innovation and collaboration and trade and investment.
8. Business Events Sydney Limited (BESydney) is a specialist bidding services organisation financially supported and backed by the NSW State Government and responsible for attracting domestic and global meetings to Sydney and NSW.
9. BESydney has operated for more than 40 years and has a global network of experts who work in an increasingly competitive market to secure business events for Sydney and NSW. The organisation is funded by government and the private sector via partnership and membership fees.
10. BESydney's public funding support to-date has been provided by the NSW Government through its agency for the tourism and major events sectors, Destination NSW, and by Place Management NSW and the City of Sydney.
11. In 2021, BESydney received \$8.6 million in funding from NSW Government, directed towards supporting BESydney's operational costs. In addition to this operational revenue, BESydney can apply to the NSW Government for event funding to support specific business events that meet a pre-determined criteria, on a case by case basis.
12. BESydney and the City of Sydney have had a successful relationship to date. Since 2014, BESydney has utilised City of Sydney funding to deliver 56 global meetings and incentives that have seen over 75,500 delegates staying 273,490 delegate days in Sydney between 2014 and 2020.

13. From these meetings, over \$202 million in estimated direct expenditure has been generated for the NSW economy. This equates to a 135:1 return on investment from the City of Sydney's sponsorship.
14. These events also provided a tailored platform for Australia's businesses, researchers and emerging talents to make global connections for growing exports, investment, research collaborations, and knowledge, skills and career development.
15. In 2020 and in response to the pandemic, BESydney necessarily expanded its remit to promote Sydney as a domestic business events destination, given that international borders were closed.
16. As the domestic business events market emerges from the Covid-19 shutdown, BESydney plans to continue delivering value in the domestic business events market and in the international business events market in the future.
17. Covid-19 has had a profound impact on the business events industry. Sydney businesses within the hospitality and tourism sector and supporting supply chain have been significantly affected. Securing a strong pipeline of both domestic and global business events for Sydney will be essential to ensure this industry can continue to deliver the economic and social impacts derived from the high-value business events market.
18. The ongoing impacts of Covid-19 across global markets will create a hyper-competitive marketplace with offers of generous financial incentives to secure both domestic and global business events. Funding support is vital to ensuring Sydney maintains its competitive advantage in attracting high-yield business events.
19. The City has received an application from Business Events Sydney Limited (BESydney) requesting sponsorship of \$300,000 (ex GST) per annum for two years for 2021-22 and 2022-23 to a maximum value of \$600,000 (excluding GST).
20. BESydney's sponsorship application has been assessed against the Commercial Creative and Business Events Sponsorship program adopted in 2014, and as contributing towards the City's commitments in the Economic Development Strategy, Tourism Action Plan and Community Recovery Plan.
21. Given the significant results achieved from the relationship with BESydney to date and the current competitive pressures the city faces, it is recommended that the City continue to sponsor BESydney to attract conferences and events to Sydney.
22. The funding will be utilised to bid for and secure both domestic and international business events for Sydney to be held in 2022 and through to 2026. The timeframe reflects the often long-lead nature of securing global meetings.
23. The agreement with BESydney will include:
  - (a) evaluation criteria, agreed by City of Sydney and BESydney, to help determine the conferences and events BESydney will try to secure for Sydney;
  - (b) the uses City of Sydney funding can be used for as agreed by City of Sydney and BESydney; and
  - (c) regular meetings held between City of Sydney and BESydney monthly or as required to review progress and opportunities.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030

24. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This [choose an item] is aligned with the following strategic directions and objectives:
- (a) Direction 1 - A Globally Competitive and Innovative City - securing international business events for Sydney enhances Sydney's reputation as a global city, provides opportunities for knowledge exchange and encourages a culture of innovation essential for a productive economy.
  - (b) Direction 5 - A Lively and Engaging City Centre - the high-value business events market provides great economic and social impacts to the city. The city centre hosts a range of retail, creative, cultural and dining businesses making it the premier destination to host business events and engage visitors to stay and spend.
  - (c) Direction 6 - Vibrant Local Communities and Economies - Business events attract domestic and international consumers, and it is expected that local food and beverage, hospitality and accommodation providers will significantly benefit from the spending of attendees at these events.

### Organisational Impact

25. It is not anticipated that this sponsorship agreement will have organisational impacts beyond those which have been in place for the existing sponsorship agreements.
26. The City will continue to allocate an appropriate staff member to provide contract management and coordination services.

### Risks

27. In any competitive environment, there is a risk that these initiatives will not deliver the results that are intended. The City will monitor progress and outcomes on a regular basis and refocus efforts if necessary.
28. There may be ongoing risks associated with Covid-19 that cannot be predicted. There are sufficient planning measures that have been developed to mitigate against risk that can be used as a baseline.

### Economic

29. The sponsorship request from Business Events Sydney strongly aligns with the City's Economic Development Strategy. The economic benefits to flow from this initiative include the direct benefits to the accommodation, hospitality and retail sectors arising from business tourism and the legacy benefits derived from Sydney's reputation as a global and innovative city.
30. Quantified outcomes include the economic contribution to Sydney derived from delegate visitor nights, as well as delegate and event organiser direct expenditure associated with the materialisation of business events.

31. There are additional benefits associated with hosting business events which are valuable but difficult to quantify, including:
- (a) Visitor Economy Impacts: Business events are demand drivers, delivering impact and opportunity for the community of city businesses within the hospitality, tourism and events sector;
  - (b) Knowledge Economy Impacts: Enabling Sydney and NSW businesses, industries and academics to showcase their expertise;
  - (c) Development of Priority Industry Sectors: the business events BESydney targets are at the forefront of industry sectors and academic endeavour where Sydney, NSW has great capability to share with the world; and
  - (d) Brand and Reputation Impacts: Profiles Sydney as a place to invest, do business, study and work. BESydney's marketing initiatives will increase awareness of Sydney to the general business visitor, boosting NSW performance in the business visitor category of the National Visitor Survey statistics.

### Financial Implications

32. Sufficient funds are available within the 2021/22 Operating Budget for the initial payment of \$300,000 (excluding GST). Provision will be made in the draft 2022/23 Commercial Creative and Business Events Sponsorship budget for the second payment of \$300,000 (excluding GST).

### Relevant Legislation

33. Section 356 of the Local Government Act 1993 provides that a council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions.
34. Section 356(3)(a) - (d) is satisfied for the purpose of providing grant funding to for-profit organisations because:
- (a) the funding is part of the Commercial Creative and Business Events Sponsorship Program;
  - (b) the details of the program have been included in Council's operation plan for financial year 2021/22; and 2022/23; and
  - (c) the program's proposed budget does not exceed five per cent of Council's proposed income from ordinary rates for financial year 2021/22.

**Critical Dates / Time Frames**

35. Subject to Council approval, the recommended sponsorship of BESydney will commence in March 2022 for a two-year period.

**EMMA RIGNEY**

Director City Life

Victoria Moxey, City Business Manager

Katrina Dunn, City Business Coordinator